

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Déardaoín, 13 Aibreán 2017

Thursday, 13 April 2017

The Committee met at 9 a.m.

MEMBERS PRESENT:

Deputy Bobby Aylward,	Deputy Josepha Madigan,
Deputy Catherine Connolly,	Deputy Mary Lou McDonald,
Deputy David Cullinane,	Deputy Catherine Murphy,
Deputy Marc MacSharry,	

DEPUTY SEAN FLEMING IN THE CHAIR.

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Business of Committee

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

Chairman: As we have a quorum, the committee is now in public session. We are joined today by the Comptroller and Auditor General, Mr. Seamus McCarthy, a permanent witness to the committee. He is accompanied by Mr. Malachy Quinn, senior auditor. We have received no apologies at this stage.

The first item on the agenda is the minutes of last week's meetings on 6 April. Are the minutes of last week's meeting agreed? Agreed. With regard to matters arising from the minutes, if members want to raise items under correspondence that they feel might be relevant to last week's meeting, we can do that. We will come to correspondence in a moment. We will move on to the next item on the agenda, item No. 3.

We will deal with some of last week's meeting first. We have some correspondence arising from last week's meetings but we will deal with it under matters arising. We are all fully aware we had a meeting with a number of institutions from the third level sector and we are waiting for information back from most of them at this stage. From UCC we are waiting on a number of things including its policy on intellectual property rights, the management of conflicts of interest, a note on the IMI transfer, retired staff on contract and financial assistance to students. From the University of Limerick, we are waiting on items such as a note paid to the Revenue on sabbatical figures, details on non-Irish students, a note on the Mazars review and a note on the number of complaints leading to internal and external reports or settlement. That follows on from the issue of whistleblowers. We have received a response to our correspondence from Dundalk IT which is in our correspondence list this morning. From Waterford Institute of Technology we are waiting for further information on the campus company FeedHenry. We are awaiting details on staffing such as gender breakdown and details of full-time and part-time staff, further information on the library subscription service as well as implications of the delay to the Grangegorman development. From NUIG among the things we are waiting for is information on procurement, gender and staffing, casualisation of staff contracts, and university shares as they relate to intellectual property. We are also waiting for information from the HEA and the Department of Education and Skills on these matters.

There are a lot of issues arising from our meetings in the last couple of weeks with the third level institutions. We will give a little bit of time for the information to come back which hopefully will be over the next week. When we are here again, we will have hopefully received responses to all the matters that we have raised with them at their meeting. We will need to consider what action to take at that point. Does anybody have any comment?

Deputy Mary Lou McDonald: Deputy Cullinane and I have submitted to the Chairman a fairly comprehensive list of questions and issues that we believe need to be answered by the HEA but also by the Department of Education and Skills. The questions are on issues regarding whistleblowers. Last week, we raised this with Dr. Love from the HEA, which he said was open to providing us with a fairly detailed oversight of the processes, procedures and instances around whistleblowers and other issues. I do not propose to go through every item but we ask that this is followed up on.

Chairman: That only arrived late last night so it has not been circulated to members. I saw it just a minute ago. I do not think other members have the document yet because it arrived late

yesterday evening. It will be circulated today.

Deputy Mary Lou McDonald: I appreciate that other members will want to have a look at it. It is comprehensive but straightforward. There is nothing hugely surprising in it but we have gone to the trouble of itemising it for the purpose of being specific rather than making a general request of the parties that they have the specifics we are looking for. I wanted to bring that to the Chairman's attention.

I have two other issues. May I raise them now?

Chairman: On that issue, I propose that when members receive this by the middle of next week, any member who wants to add anything to it should contact the clerk and, if not, we will send it on next week. We will give people a day or two to look at it but we will send it on next week.

Deputy Mary Lou McDonald: The second thing relates to the Comptroller and Auditor General. One of the issues we raised last week is the area of intellectual property and its commercialisation and the processes, procedures, oversight, conflicts of interest, the money in terms of revenues generated and who got what proportionately. We proposed a special investigation and it is still my view that we need it. We need to get under the bonnet of this. One of the difficulties we have is that the Comptroller has the discretion and authority to audit the institutions but there is the issue of all of these spin-out companies. We need to know what happens thereafter because the innovation in the first instance is incubated and financed by lots of public money. As it is such an important sector in terms of job creation, it is really important that we get on top of that. We had made a proposal. Mr. McCarthy was not here last week but we made a proposal on a special report or some similar mechanism to explore that area. I would be interested to hear what he has to say on that.

I have a third issue but I am happy to come back in on it.

Chairman: This issue was mentioned at the last meeting. The Comptroller and Auditor General is familiar with the issue. I think there is agreement on the committee. A remark was made by Waterford IT on the return on investment for the State. What will have to be established by somebody is what was the investment by the State. It is a meaningless comment to make to us. It is gratuitous to tell us about the return on investment when nobody has an idea what the actual investment was by way of the incubation unit, staff resources, facilities and equipment provided by the taxpayer in Waterford, direct grants from the HEA, grants, which we are aware of, probably from Enterprise Ireland, possibly training grants from European taxpayers and possibly a whole lot more. We are in a position where we have no concept of what the State investment was for the relative shareholding it got at the end of the day. We ultimately have to get to the bottom to know the State's investment. The suggestion is that it is a broad issue in all of the colleges but the FeedHenry company is the one that has come to light. We cannot direct the Comptroller and Auditor General to do a report but we can ask him to consider it. He might consider it or give us his observations on it. At this stage, we cannot pin him down for a definite answer. One way or the other, the Committee of Public Accounts will not move away from this topic.

Mr. Seamus McCarthy: On FeedHenry specifically, the financial statements we are currently auditing of Waterford IT are the 2014-2015 year of account. The FeedHenry disposal was in that period. Therefore, we are examining the transaction as it relates to the financial statements currently. The issues the Chairman has raised are perfectly valid. I will have to

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consider whether it would be appropriate to do a special report. It would have to be a value-for-money report on the disposal of FeedHenry. For me, the issues that would arise if I decide to do that would be exactly what the Chairman has said, to look at it over time and to ask where it came from, how did it get to be intellectual property and how were the shares attributed and on what basis; that is the decision-making process around that.

Deputy Catherine Connolly: The Comptroller and Auditor General will need to treble his staff.

Chairman: He will need more staff.

Mr. Seamus McCarthy: That is obviously an issue. The issues that are raised are probably bigger than would be central to the audit of the financial statements. In order to finish the audit of the financial statements in a timely way, I may have to consider parking it or moving it over and commencing a value-for-money report. I would have to alert the college to that if I was moving in that direction. In terms of a special report, it is worth noting that spin-out companies and the interests of colleges across the sector are listed in their annual financial statements anyway. If one looks at the financial statements, one will see a list of all the spin-outs. That information is included. Perhaps the committee might consider communicating with the HEA if it is not satisfied with the sufficiency of the information-----

Chairman: In what?

Mr. Seamus McCarthy: In the financial statements.

Chairman: There is none. There is just this list.

Mr. Seamus McCarthy: There is a listing, yes. If the committee was of the view that additional information should be given or disclosures made - for example, when a spin-out actually happens - it could ask the HEA to ask the colleges to include additional information.

Chairman: Okay.

Mr. Seamus McCarthy: There is that scope for the committee if it is not satisfied with the level of information provided in the routine annual financial statement.

Chairman: Clearly, it is not. Otherwise we would not be having this discussion. Does Mr. McCarthy wish at the next meeting to give the committee his view on the audit and whether it is appropriate or whether we should go through the HEA to find out the information?

Mr. Seamus McCarthy: Yes. We are already discussing it internally and I have asked for additional information on FeedHenry. I will be making a decision in the next couple of weeks. I am certainly aware of the committee's concerns expressed last week about accelerating the completion of financial statements.

Chairman: We will come to that issue in one minute.

Mr. Seamus McCarthy: In general, we try not to hold up financial statements, but the committee perhaps might need to be aware that I do not have a vehicle for reporting on an individual issue or concern about a set of individual financial statements. I only have the-----

Chairman: Does Mr. McCarthy mean that he does a report on the financial statements or that he does a special report?

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Mr. Seamus McCarthy: Exactly. I do not have another vehicle. It is different with the appropriation accounts because we have the report on the accounts of public services which is provided for in law. If an issue comes up, for example, on the Vote for education or health, I have a vehicle to report on it. I do not have an analogous vehicle to report a concern, let us say, about a probity matter or an individual set of financial statements.

Chairman: To clarify, in order that people will understand the subtlety, if Mr. McCarthy is dealing with the annual audit of the appropriation accounts of a line Department, for example, the Department of Education and Skills which we are currently discussing and an issue comes to light, he can include a specific chapter on it in his annual report.

Mr. Seamus McCarthy: Exactly.

Chairman: When it comes to the financial statements of other organisations which he audits, other than the appropriation accounts, he does not have a mechanism to include a special chapter in his report. That is something at which we need to look. Mr. McCarthy is only in a position to highlight issues to us about line Departments. Where he believes there is a need to provide additional information, he has such a mechanism for line Departments, but he does not have one for the other 300 organisations, the accounts of which he audits. On the face of it, there is a gap.

Mr. Seamus McCarthy: There is a provision to attach a supplement to the audit certificate of the education and training boards.

Chairman: It might be helpful-----

Mr. Seamus McCarthy: However, it holds up completion of certification. That is the point.

Chairman: Mr. McCarthy might send us an information note on the matter. If we believe there is a gap in the system of public accountability that is not covered by the legislation, we will come back to the issue.

Deputy Catherine Connolly: As the Comptroller and Auditor General said, we did receive a list. Although the Chairman might think there was not enough information included and I bow to his experience, there was not only information but also a list of all the companies, with figures of 8%, 10% or 15%. Our difficulty is whether it is value for money. How is it arrived at? There is no such information. It is a different level of debate and I do not know at what venue we need to look in that regard. Certainly, NUIG came forward with its entire list and one could not fault it. It stated what the percentage was and gave us all the information. I say that to be positive about NUIG. To return to what is outstanding, it is to come back with a breakdown in terms of gender and so on.

Chairman: Yes. I read it just a minute ago.

Deputy Catherine Connolly: I missed it. I am sorry.

Chairman: Among the other things for which we are waiting from each of the colleges, including NUIG, is information on procurement and gender balance.

Deputy Catherine Connolly: On that point, NUIG applied for the Athena SWAN, a prestigious award given when gender equality meets a certain standard. In applying for the award it would have had to have all of that information at its fingertips. I was extracting the information and it was subsequently brought to my attention that all of it had to be at its fingertips in apply-

ing for the Athena SWAN.

Chairman: We will surely receive it shortly then.

Deputy Catherine Connolly: We will. Will we be coming back to the health executive later?

Chairman: We will come to it specifically under the heading of correspondence.

Deputy Catherine Connolly: That is fine.

Deputy Catherine Murphy: I completely agree that there is a need to look at this area and can see where the constraints are, but one other associated issue is the big loss recorded by the DIT in terms of access to journals for the library. There seems to be a variety of approaches to the issue taken by some of the colleges. The amount of their own material to which they have access also varies. It seems that some of them do better than others. There may well be a higher cost being paid. It might be a better approach to do it in a more collaborative way. Is this something that can be addressed in the overall context or is it separate?

Chairman: Is the Deputy talking about library costs?

Deputy Catherine Murphy: Yes.

Mr. Seamus McCarthy: Is the Deputy asking about access to journals and so on? I have a couple of observations in that respect. Among the universities there is a system for accessing journals; I think it is called IReL. It is being managed by the National University of Ireland, Maynooth on behalf of all of the universities. It provides the network for it. It is funded by the HEA to collaboratively provide access for all of the universities. I do not think the institutes of technology have access to it, but whether there is scope to extend it is something that could be addressed with the HEA. It is just a suggestion.

Deputy Catherine Murphy: Public funds and money are used to educate the person who produces the research. The research is not paid for by the journal to which it is submitted. The researchers have to sign a copyright agreement with it. It is then peer-reviewed, again at no cost to the journal, and the researchers producing the work have to sign a copyright agreement. They must even carry indemnity against litigation. At the same time, they receive 50 copies free for themselves. After that, in a lot of cases, they actually have to pay to access their own work. It strikes me that something is being paid for from the public purse, in terms of education and the generation of knowledge, which is then sold back. I know that there is international collaboration, but it seems that it is one-way traffic only and that there is no return to the colleges which I think there should be.

Mr. Seamus McCarthy: That might be slightly broader than the point I was raising. I misunderstood.

Chairman: As a result of last week's meeting about the DIT's loss of €750,000 on the library contract and the shared service agreement being operated in Limerick, we need to write to the organisation which was referenced in the president of the DIT's opening statement and ask what other institutes of technology were involved and if the organisation can give us some information on their possible losses. If it cannot, we will ask it to give us the names and we will write to each of them because the Dublin case seemed to be a complete outlier as to the level of loss incurred compared to the others. I know that the DIT is the biggest, but we want to get the

full picture of the cost to the institute of technology sector as a result of the contract. We only know about the DIT.

Deputy David Cullinane: I have raised some of the issues raised last week and in the past few weeks. A narrative has been spun by some since and questions have been asked about the commercialising of intellectual property. It has been suggested that, as a committee, we do not really understand how all of this works. There was a misunderstanding of the questions being put. I can only speak for myself but I imagine for most member also. The committee will agree that we made it very clear that spin-outs and the commercialising of intellectual property were good. Taking advantage of research from institutes in creating jobs and companies, given the value such companies can have, not just for an institute but also for a wider catchment area is all good. That is not in question. Researchers and academics commercialising intellectual property is fine. None of that was in doubt or was questioned. What was being examined was at the point where a private company establishes contact with an institute to transfer the ownership or licence of its IP how the institute is protected, how conflicts of interest managed and all of the questions and issues raised by others. All of that is fair and it is within our remit.

Following the meeting last week one of the witnesses to whom I put questions suggested he would rather resign than continue with that line of questioning because he felt it was damaging the institute. That was followed up by a press statement from a Minister of State in the Department of Education and Skills inferring something similar and suggesting that the questions that were being put would have a destabilising effect on the institution and its joint application with the Carlow Institute of Technology to become a technological university. There was also an inference from a number of parties that somehow the line of questioning of the witness in question from the Committee of Public Accounts and me was an attempt to damage the institute. There was also a view that I was inferring that a crime had been committed by the president of the institute. To be fair to you, Chairman, I wish to make it very clear that at every stage and every single hearing I stressed that I personally was not alleging any wrongdoing. I make no apology for putting questions on process and procedures. That is what we are here to do. We have to put robust questions, as other members did of institutes in their constituencies as well. It is not done to damage them but to strengthen them. What we are here to do is to strengthen processes. We cannot allow a situation where individuals try to pick off members of the PAC and we have seen that approach from other Ministers as well. It is not good for the PAC and we must protect ourselves.

I have received a number of protected disclosures from people who worked in WIT as researchers and I have not put any of the allegations made into the public domain. What I have done is given a synopsis of them to the Comptroller and Auditor General this morning. I will also meet with the head of the Higher Education Authority, HEA, to give him a similar synopsis. That is following due process and doing what is appropriate. The HEA is doing an external review of what was an internal examination of the management of conflicts of interest in WIT. It has asked for suggestions and ideas on the terms of reference and I submitted draft terms of reference to the HEA as well.

Chairman: Is that the document Deputy Cullinane submitted yesterday?

Deputy David Cullinane: No, this is separate. This was on my own behalf and not on behalf of the PAC. Given that the HEA is carrying out an external review and given the limitations on the Comptroller and Auditor General in terms of what he can and cannot do, it might be an opportunity for the HEA to use the Waterford example to go under the bonnet, as it were, and look at the type of issues we are looking at? I can furnish the PAC with my suggested terms

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of reference and the HEA will be back before the committee at some point.

It is important for me to put on record that we must be able to do our job without fear or favour. We must be able to put questions fairly. It is unfair for Ministers of State or witnesses to put any undue pressure on us in terms of the questions we put because we simply would not be able to do our job. I fully stand over my bona fides and integrity in terms of the questions I put.

Chairman: I confirm that on every single occasion when Deputy Cullinane spoke on that topic, and to every institution, he did not suggest any wrongdoing or fault but that he just wanted to get the facts and to find out the policy that was being implemented. The Deputy raised the management of conflicts of interest on every occasion. We made it clear that we were not asking the individual about his own personal finances. That was made clear publicly as well. From that point of view, in terms of everything we did, we were doing our job on the day.

Deputy Josepha Madigan: Deputy Cullinane referred to strengthening processes. One of the things I am not sure is happening on a regular basis is that when we have institutions or other bodies before us giving evidence, for the want of a better word, and we ask them for information that we follow up on it in order to be thorough. For example, I asked UCC for figures on its allocation for access for disadvantaged students and I do not know whether we got any correspondence back from it. It is important we do that for the committee's sake because otherwise people will come in here and pay lip service but will not follow up. I urge that we would ensure we follow up on all issues.

Chairman: Deputy Madigan is correct. The secretariat and I keep an eye and check. Even when we get a reply from an institution of which we might have asked eight or nine questions we might get good answers to six of them but two of them might not be fully answered. In such cases we always go back to seek all the necessary information. We give people a little time to come back to us.

Deputy Josepha Madigan: It is important that we do so in order for our work to be fully comprehensive.

Deputy Mary Lou McDonald: I wish to speak on the same topic. I wish to puzzle out what I think is an extraordinary intervention by the Minister of State, Deputy Halligan. To me it is astonishing that a Minister of State would consider it appropriate to put out a statement and to rap the knuckles of the Committee of Public Accounts. I have the statement in front of me. The Minister of State said he felt he had to come out and defend somebody's reputation and then he almost warned us to back off. That seems to me to be the message. Be that as it may, the question then arises as to what we as a committee do because no individual is cited. I have no doubt Deputy Cullinane was in the Minister of State's sights, possibly for constituency reasons. The Deputy is not instanced in the statement, however, the committee is and I wish to know what we are going to do about that.

Deputy Josepha Madigan: Did the statement appear in the media?

Deputy Mary Lou McDonald: Yes.

Chairman: It was published.

Deputy Josepha Madigan: Was it in the national newspapers?

Deputy David Cullinane: It was in the local newspapers.

Deputy Mary Lou McDonald: It was in the *Waterford News & Star* and on WLR FM.

Chairman: Yes, it was a published statement by the Minister of State in the line Department.

Deputy Mary Lou McDonald: The issue is whether it was in the local chronicle or splattered across *The Irish Times*, what I am querying is that a Minister of State would deem it appropriate to intervene in that way. I think it is completely inappropriate. I cannot imagine what he was thinking, bar maybe jockeying for position within his constituency, but that is for him to explain. We need to decide what we do about it.

I would have thought, at a minimum, the committee ought to write to the Minister of State and inform him that we are doing our job and that we will continue to do so. If he has something specific to add to our deliberations he is at liberty to write to us as a committee and to offer to come in and to share the benefit of his wisdom but we need to stop this because the question then is “What next?” Every Minister can fire out statements willy-nilly and attempt to undermine what has been very thorough work, and very necessary work. We are appointed on behalf of the Oireachtas to do the job and Ministers need to let us get on with it. I want to know from you, a Chathaoirleach, what in your view is the appropriate course of action.

Chairman: My view on it is this - we are in an open society and anybody is entitled to criticise our work, including line Ministers or any member of the public if they do not think we are doing a good job. People have the right to criticise us. We are not above criticism. In the press release by the Minister of State, Deputy Halligan, he also warned that any incorrect suggestions of impropriety could have a seriously destabilising effect on the institute at a critical point in its campaign for technological university status. We should write to the Minister of State and ask him to clarify and specify what incorrect suggestions of impropriety he is referring to. I do not think we made any suggestion of impropriety.

Deputy Mary Lou McDonald: Absolutely not.

Chairman: We will ask him if he can back it up. We will ask him to explain and verify his statement and if he cannot he should withdraw that aspect of the statement. However, he is entitled to make remarks.

Deputy Mary Lou McDonald: He is, and we are all entitled to say what we wish, within the boundaries of the law and decency. The difficulty is that the Minister of State, Deputy Halligan, is sited within his Department. In that regard, are we setting ourselves up for a position whereby, as we consider matters in the Department of Justice and Equality, for example, that it is okay for the Minister to come out with a statement rather than in an off-the-cuff manner? This was deliberate. This was a decision made by the Minister of State to put this into the public domain to question the bona fides of the work of the committee and the standard of work of the committee, and essentially, to say to us very publicly to back off. That is what this statement is all about. That is problematic. Notwithstanding we all enjoy our freedom of speech, that is problematic from the point of view of the Oireachtas.

Chairman: My view on it is-----

Deputy Mary Lou McDonald: That is the question now.

Chairman: This press release appears to have come from the Department. I do not who DJEI is.

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Deputy David Cullinane: The Department of Jobs, Enterprise and Innovation.

Chairman: This has come from a Department. We have a job here and we do not take kindly to Ministers or Ministers of State trying to cut across our work. I would put it this way. If he had issued it from this own constituency office-----

Deputy Josepha Madigan: That is the same thing. This is departmental. That is my point.

Chairman: This is from the Department. The Deputy might want us to take it up with the senior Minister as well. I do not mind. We want that clarified.

Deputy Mary Lou McDonald: Lastly, this is not to start rapping people on the knuckles. I am all for people saying. Had he personally-----

Chairman: Issued a statement.

Deputy Mary Lou McDonald: -----said it casually, we would take a different view. This comes from his Department and that is problematic for this committee.

Chairman: That is the issue.

Deputy Josepha Madigan: I just want to know for my own information if this has ever occurred previously - if a Minister has written like this - and also whether or not it is something the CPP could consider because he is also a member of the Dáil.

Chairman: Pardon?

Deputy Josepha Madigan: The CPP.

Chairman: We will not go there yet.

Deputy Josepha Madigan: It is an option-----

Chairman: That is an option.

Deputy Josepha Madigan: -----if we are not sure of what way to approach it.

Deputy Catherine Connolly: We should move on. A valuable issue has been raised. The fact that they are complaining about us must mean we are doing a good job with the help of the Comptroller and Auditor General. We should go ahead with it. The suggestion is practical. That should be done immediately.

Chairman: Okay, we will do that.

Deputy Catherine Connolly: The issue is bigger than us. It is an issue for the Dáil. It has arisen with the Minister, Deputy Noonan, prior to this and the Department.

Deputy Catherine Murphy: It is slightly different when the key person who led the questioning on the particular day happens to be in the same constituency as the Minister.

Chairman: That is not a coincidence.

Deputy Catherine Murphy: The targeting of-----

Chairman: Yes, individual members.

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Deputy Catherine Murphy: -----members in that way is unacceptable.

Chairman: We will write directly to the Minister in the Department to clarify his statement. Do we write to the senior Minister?

Deputy Mary Lou McDonald: Yes, why not?

Chairman: We will write to the senior Minister because this has come from the Department, not from the Minister of State's constituency office. Okay, we will move on.

On the next item on the agenda, the last day we had a discussion here about the timeliness of the accounts being presented to us and we were on the verge of sending Waterford Institute of Technology and all the organisations here home. It is a waste of the committee's time being asked to consider accounts that cover the period 2013 and 2014 - that is what we had in front of us. We will not be accepting that. I note the Comptroller and Auditor General recently completed a report on this and we will come back to that. We want to immediately send out a signal to all those bodies that it is not acceptable and there will be consequences.

The outcome of the meeting on the last occasion was we asked them to ensure they had their audited accounts for up to 2016 properly completed by the end of June to submit to the Comptroller and Auditor General for audit, and hopefully we would have that after the summer recess when we come back in September. Even at that point in time, it will be over a year after their financial statements. That is reasonable.

The Comptroller and Auditor General and committee are in the same space on this. The Comptroller and Auditor General might wish to respond.

Mr. Seamus McCarthy: We have been working very hard. We have 26 third level institutions. There has been a systemic problem in the sector. We have increased resources, and that was one of the things that I have highlighted in the report on the timeliness of financial statements.

We have made progress. For instance, already the Trinity College accounts for 2015-2016 have been certified so that within six months the whole process is completed. We got the financial statements and the audit was completed, the parallel audit by KPMG was completed and the whole lot done within six months. I am expecting to have the accounts from Maynooth also by the end of this month. It demonstrates that it can be done.

If the committee members want to look on the screen, there is a graphic from the report on the timeliness of financial statements that shows the universities. The white panel in the graphic is 12 months after the period of account and one can see that some of the financial statements do not come to us within 12 months. One can also see the whole process, from us receiving the accounts to the accounts being signed off. In relation to Trinity, it is done in a three-month period, and as I said, we have made progress even relative to that. We are working to bring them all forward but it will be a big ask to have the 26 of them done by September coming for the 2015-2016 period.

Chairman: Our point here on the last occasion related to the specific six we had in because some of those were the serious outliers. We refer specifically to those.

What the Comptroller and Auditor General might assist us with is - it is public knowledge but not member seems to know about it - this idea that they all are doing two sets of audits. It

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tripped out that Galway had KPMG doing an audit and then the Comptroller and then Auditor General does a different audit on substantially the same figures but in a different reporting structure and the bottom-line figures are not the same because they are for different purposes and maybe different items are included. It bemused the public to think that there are two different sets of financial statements out there.

We need a note on this. It is utterly confusing. We spoke about consolidating accounts. Which set would be talking about? We will need the Comptroller and Auditor General's help on this. Perhaps he has it already covered.

Mr. Seamus McCarthy: I referred to that in the report on the timeliness issue. There are two different issues in what the Chairman raised. One is the two sets of financial statements. Effectively, that is a historical hangover. Prior to 2003, the HEA specified the universities were to produce what was called the funding statement. We raised the issue with them that this did not comprehend any subsidiaries and that it was not being done on a generally accepted accounting practice basis. In consultation with the HEA and the universities, we developed a template for them, but agreement was reached, because the HEA wanted to hang on to the funding statement, that effectively the two sets of financial statements and a reconciliation statement between the two sets of financial statements would be produced.

As well as that, the accounting systems in the universities were set up to produce the funding statement but not the consolidated financial statements.

Chairman: Is that a cash basis versus accruals?

Mr. Seamus McCarthy: It is largely, yes. Effectively, things like pensions are missing, the subsidiaries are missing and so on. My audit certificate is solely in relation to the gap accounting - full accrual accounting - for the universities, including all of their subsidiaries.

Separately, the colleges had traditionally hired commercial auditors to audit the financial statements produced by their finance units and to give a report to the governing authority and what had happened was that that process was gone through, the result was given to the authority and then the authority released that set of financial statements to me for me to carry out an audit, and we were in second place in relation to it.

Chairman: Did that include the subsidiaries? Did both audits?

Mr. Seamus McCarthy: It would have. They were auditing both sets of financial statements.

Chairman: This is bizarre.

Mr. Seamus McCarthy: As far as I am concerned, the only set of financial statements that should be presented to the Oireachtas is the consolidated gap-accounting financial statements with my certificate.

Chairman: Does that encompass everything that needs to be encompassed?

Mr. Seamus McCarthy: Yes, it does. It is a full set of-----

Chairman: Except the foundations.

Mr. Seamus McCarthy: Except the foundations. That is a separate issue.

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Chairman: Can the Comptroller and Auditor General send us a note on why there are the HEA ones? Are the ones the HEA and the Department want the ones that the Comptroller and Auditor General audits or the other ones?

Mr. Seamus McCarthy: Technically they want both of them. In fact, the HEA has said that it does not need the funding statements to be audited now. It will accept them as presented by the college. One can understand that the HEA should have very prompt statements after the end of a period of account-----

Chairman: So should we.

Mr. Seamus McCarthy: Yes, absolutely. Within a month of the end of the financial period the HEA should be able to get information on the outturn. It should be able to get management accounting information and so forth.

Chairman: Perhaps you will provide us with a more detailed note on it.

Mr. Seamus McCarthy: On the existence of the commercial auditors, we rely on their work to the extent that it is appropriate to do so. We have an arrangement with them. We go in and look at the work they have done. If it addresses the areas that interest us or that we feel are appropriate we can rely on them once we have formed a judgment. We do additional work, particularly around propriety, regularity and so forth. We do not audit the subsidiaries per se. We try to minimise the cost to the public sector.

Deputy Catherine Murphy: I have a question on that. Obviously there are big audit houses involved. Is there anything that jumps out in that regard relating to particular audit houses? Has there been any problem and have they been of a standard with which the witness would be happy?

Mr. Seamus McCarthy: It would not be appropriate for me to comment on other auditors. We look at their work. We might take a different view. We may and do engage with them and discuss points. I would like to think that we arrive at a common view. We have a difference of opinion with some of the commercial auditors, particularly with regard to the accounting for pensions.

Chairman: Public sector pensions.

Mr. Seamus McCarthy: That is the area where there is a difference. However, they have raised issues, we have raised issues and we have thrashed them out. We try to be co-operative.

Chairman: There is a final matter on this topic before we move on to complete the rest of the correspondence. There is an item of correspondence, PAC32-R-408C, directly related to this. It concerns the financial statements for the Mayo, Sligo and Leitrim Education and Training Board, which was a serious outlier in terms of late accounts. The letter we received from it during the week states that when “setting targets for the resolution of these issues [that is its accounts] we expect to resolve the 2013-2014 financial statement issue in the middle of May 2017 and the 2015 financial statements by June 2017”. It says that the support of the senior auditor of the Comptroller and Auditor General has provided templates for the remainder of the work, which will be progressing satisfactorily. We are writing back to say that we want confirmation from the board in the first week of July that it has complied with the two timetables it has given us.

Mr. Seamus McCarthy: Okay.

Chairman: It has told us that it will have its 2014 accounts finished in May and that it will have its 2015 accounts finished in June. We want to receive a letter in the first week of July confirming that it has done what it said it would do in this letter. Limerick and Clare Education and Training Board is in the same category.

Mr. Seamus McCarthy: The members can see the education and training boards on the screen for 2013-14.

Chairman: Yes, on a different chart.

Mr. Seamus McCarthy: Mayo, Sligo and Leitrim is at the bottom, along with Limerick and Clare. One can see the variation with others and the length of time it takes to get the audit completed.

Chairman: Okay.

Mr. Seamus McCarthy: We are working with them. The year 2013-14 was particularly problematic for them because it was effectively their first set of financial statements. There is progress but we still have-----

Chairman: One cannot help observing that the delays are obvious the further west one goes. I do not know who I have offended by saying that, but it is a statement of fact. The further west one goes, the slower they get.

Deputy Mary Lou McDonald: Careful.

Chairman: That is what the chart shows, but I am in trouble straight away.

Mr. Seamus McCarthy: Donegal looks okay.

Deputy Mary Lou McDonald: Do not mention Kerry and what it does in the football.

Chairman: If I am in trouble it means somebody is listening, so that is a good thing. We will proceed with the rest of our correspondence. We had many issues to cover with the third level colleges at the last meeting.

The next item is category A correspondence for today's meeting. Nos. 410A and 411A are the briefing documents from the Department of Education and Skills and Caranua. We note and publish them.

Nos. 421A and 425A are the opening statements from the Secretary General at the Department of Education and Skills and from the chief executive officer of Caranua. We note and publish them.

Category B is correspondence from Accounting Officers. No. 405B is correspondence from the president of Dundalk Institute of Technology. We note and publish it.

No. 412B is correspondence from Ms Niamh O'Donoghue, Secretary General at the Department of Social Protection, providing a report to the committee on issues we raised when the Department's representatives were before the committee last October. We note and publish that.

No. 421B is correspondence from Mr. Seán Ó Foghlú, Secretary General at the Department

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of Education and Skills, providing follow-up to our meeting on 28 March. Items covered include accounting treatment of assets transferred to school authorities, redundancy payments, youth employment initiative, DEIS, contributions from religious institutions, gender balance in higher education, public sector benchmarks and campus companies. We note and publish that. Members can consider that documentation further.

In category C correspondence, Nos. 400C(i) to (iii) is correspondence dated 27 March 2017 received from an individual regarding a response received from the Department of Education and Skills about the use of public money on behalf of an employee or board member of the Mayo, Sligo and Leitrim Education and Training Board. The correspondent highlights the difference between the stated policy and the practice in the case mentioned. For completeness, I propose that we write to the Department for an explanation. Is that agreed? Agreed.

Next is Nos. 401C(i) to (iv), which is correspondence from Deputy Thomas Broughan providing information and analysis on speeding offences and court outcomes between January 2015 and October 2016, prepared by PARC - Promoting Awareness Responsibility & Care on our Roads - Road Safety Group, on the north side of Dublin. The analysis draws attention to the percentage of cases struck out because a summons was not served. Nearly half of all cases are struck out for this reason and only about 25% of cases result in a conviction. The last committee was informed in June 2015 that a criminal justice fixed charge working group was examining this matter and that at the time a number of recommendations from the Garda Inspectorate were to be followed up. It is timely that we write to the Department of Justice and Equality for an update and observations on the analysis provided by PARC Road Safety Group. Is that agreed? Agreed. We will keep Deputy Broughan informed. He has been working on this for some time with the group concerned.

No. 408C is correspondence dated 5 April 2017 from the chief executive of Mayo, Sligo and Leitrim Education and Training Board. We have covered that as it is about the timeliness of the accounts. We will note it.

Nos. 413C(i) and (ii) is correspondence dated 7 April 2017 from the Console liquidator company Friel Stafford regarding the situation for staff employed by Console which is now in liquidation. We also have related correspondence, which is the next item No. 424C, from the Secretary General at the Department of Health. It is on the same topic. The letter from the liquidator contains facts and information about staff who worked for Console or people who were engaged by Console who have not been paid for their work. We asked that the staff be paid. We already had a letter from the HSE saying it was not its problem and that it had no legal obligation. The letter from the liquidator states that there were 70 individuals who were referred to as staff, but 12 of them were direct employees and have been dealt with by the normal unpaid wages and redundancy payments of the Department of Social Protection. Two did not submit applications, ten did submit applications, nine have been paid and one is getting their forms in now. The 12 direct employees, therefore, are being dealt with by the State mechanism for their unpaid wages and entitlements.

The issue concerns the other 58. These individuals were not direct employees of Console but were operating on a contract basis and submitted invoices. They are listed by the liquidator as unsecured creditors. We know that means they will get nothing at the end. They might get a penny in the pound, as it were. He gives us a detailed breakdown. He met the 58 contractors and the 12 direct employees. The 12 people have been dealt with. He said most of the 58 contractors were offered employment and had taken it up. They are now working with Pieta House. He is also saying all he can do legally is treat them as unsecured creditors. The letter

from the Department is on the same topic. We had the letter from the HSE previously. It notes that contracts were offered to 52 people and that 47 took up contracts with Pieta House. It notes that the Department hopes the outcome of the liquidation process will provide recompense. That is wishful thinking. It also notes that the Department considered the matter under the appropriation account. It is sympathetic, but it can do nothing about it.

We cannot let this go. We had representatives of Console before the committee. We had the internal audit report carried out by the HSE before the committee last autumn. The committee showed grave concern about the staff and the service they provided. If we were to walk away from them at this stage, we would be shallow people. That is all I have to say. I do not know who has the legal entitlement to pay them. Everybody says they do not have it. The liquidator refers to unsecured creditors; the HSE states the matter is nothing to do with it, while the Department states it is sympathetic but can do nothing.

I propose that, in the first instance, we go back to the HSE. I am putting some of the responsibility on it because it was aware of issues in Console for a long time. It took an excessive and inordinate amount of time to produce its internal audit report. It went down to check every bunch of flowers delivered and purchased on credit cards, knowing that the organisation carrying out the internal audit was a basket case and that there would be problems down the line. Had it moved earlier to deal with the Console issue, the people in question would not be waiting for the money now. It is going to quote legal matters and there is also the question of whether we should talk to Pieta House. On that basis, the HSE is a contributory factor in the people concerned being left without money at the end of this process because it was negligent in doing its job of looking after the taxpayers' money it had given to Console. I do not know what legal mechanism we can use. Perhaps I am wrong to suggest it, but it has to use its imagination. It gives grants to all sorts of people for all sorts of thing. There is a legitimate case and it has to think outside the box in which it has been thinking.

Deputy Josepha Madigan: Have the people involved received some payment? There was something about nine out of ten having received redundancy payments and holiday pay.

Chairman: Of the 70, 12 were direct employees on the payroll. They have all been dealt with. Of the 12, ten have submitted claims. Two might not. Perhaps they were senior people who chose not to put in a claim. Of the ten who submitted claims, nine have been paid to date and the other has money on the way. The direct employees on the payroll have been dealt with.

Deputy Josepha Madigan: Therefore, they are okay.

Chairman: The other 58 were not on the payroll and submitted an invoice for hours worked on a monthly basis.

Deputy Mary Lou McDonald: That is desperate.

Chairman: They were contract workers and do not enjoy any of that protection. We would be shallow as individuals if we were to walk away from them.

Deputy Catherine Connolly: We persisted with this issue and have finally received information which has been clarified. There were 70 people involved. To clarify, 12 of them were direct employees, while the rest were not. I agree with the Chairman in pursuing the matter. However, there are other implications for charities. The Charities Act has not been fully implemented or properly resourced. This is one example of a charity which went unregulated. The difficulties with the Health Service Executive have been outlined. It took a long time to come

to any decision but when it finally did, it carried out an excellent audit. This is happening in other organisations, yet the Act has not been fully implemented or properly resourced, which is extraordinary. It was brought forward in 2009, was it not?

Chairman: The charity regulators only operate in-----

Deputy Catherine Connolly: I have no criticism of the charity regulator. I am simply pointing out that he or she is under-resourced or understaffed. We tabled parliamentary questions on the matter and this is the end result. People's lives are affected and they are not being paid. Besides any difficulty with the service, it is disingenuous of the HSE to state Pieta House did not take over Console. That is exactly what happened from the perspective of all ordinary people watching. I know that it is a new organisation, but it took over Console with the knowledge of the Health Service Executive.

Chairman: What the Deputy says is right. There are broader issues. We discussed Console with the HSE. Its representatives have been before us specifically to discuss the matter. I am sure there are other cases, but we should not walk away from the one case that has been put in front of us.

Deputy David Cullinane: On the issue of Console, every single finding in the internal audit report that we examined carried a red flag and it was noted that there were systemic problems. There were issues the Chairman cited in terms of how long it had taken to arrive at the point where an internal audit was conducted. There was an example this week where the Cabinet signed off on an *ex gratia* payment to a group of people for the right reasons in respect of pensions. There is a precedent that these things can be done. We should not always accept that things cannot be done legally. There are ways and mechanisms by which Departments can make *ex gratia* payments if they consider there is justification and we can make a case. In this instance, given the tardiness, for want of a better word, of the HSE's approach to this issue and Console over a long time, the HSE has a duty and a responsibility. That is one avenue. At best, there should be some *ex gratia* payment.

Chairman: I think it will have to be an *ex gratia* payment because everybody says that, legally, they do not have to make a payment. We are in that space.

Deputy David Cullinane: We have to accept that, but that is not to say the HSE cannot make some payment.

Chairman: We need to send a copy of our short discussion to the Department of Health, the Secretary General and the HSE to ask them to reconsider the issue in the light of this discussion, acknowledging that they might not be legally responsible but asking them to think outside the box to deal with it.

While on the matter of the HSE, Deputy Catherine Connolly flagged the matter of Mr. Tony O'Brien's evidence. We have not received further notice. At our last meeting we agreed that he would send a letter to clarify the evidence given at the previous meeting. It did not clarify every issue. We are working on scheduling a date with Mr. O'Brien to come after the recess. It was agreed that members would send specific questions on his evidence on which they needed clarification.

Deputy Catherine Connolly: The issues were clarified. Public procurement was an issue. The second issue was clarification on the report that he said was about to be completed on the cost for the voluntary sector.

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Chairman: The Deloitte report, as he called it.

Deputy Catherine Connolly: The third issue concerned the staff and clarification of how many were still working. They were the three outstanding issues for him.

Chairman: I want to be precise when he next comes before the committee. I am not going to go back over the Grace matter. The commission of investigation is up and running.

Deputy Catherine Connolly: Freedom of information was the other matter, but I think the Chairman dispensed with it. There were issues around the interpretation of freedom of information legislation.

Chairman: We will be sending the reply we will receive at the next meeting to the commission of investigation. We are not opening up the general Grace issue. It has been dealt with.

Deputy Catherine Connolly: That is fine.

Chairman: I think the secretariat know precisely what we are looking for which we will communicate. If somebody has another specific issue that needs to be clarified about the evidence, I ask him or her to contact the secretariat, as a letter will go out early next week on the issue.

We have dealt with No. 431C(i) and (ii) on the Console issue. No. 424C is also about Console and the Department of Education and Skills. We will note and publish both items of correspondence. They follow through from previous public discussions we have had here.

No. 414C is correspondence from an individual on behalf of the Shannon Protection Alliance on the Shannon to Dublin water pipe proposal by Irish Water. The individual has stated he will be forwarding reports to the committee and wishes to make a presentation to it. I propose that we write to him, advising that, on receipt of the relevant reports, we will decide on how best to proceed. It might be for another committee rather than the Committee of Public Accounts.

No. 415C(i) and (ii) is correspondence, dated 7 April, from the Higher Education Authority which attaches a letter from Waterford Institute of Technology requesting the authority to appoint an external expert to validate the Institute's internal review of matters associated with FeedHenry, the campus company. We will note and publish the correspondence. We have already discussed it, as well as Deputy David Cullinane's correspondence and other press statements a few minutes ago. We note and publish that. We note and publish item 417 as well. Correspondence item 416C is from Clare County Council, calling on the Committee of Public Accounts to examine the costs of the administration of justice attributable to the GoSafe contract which aims at reducing speeding. I propose that we write to the Department of Transport, Tourism and Sport first for a detailed note. When we receive this we will decide how to proceed.

Nos. 418C.1 and 2 are correspondence from the Welsh public accounts committee attaching a programme for a public accounts network event on 12 June. We note this. It was put forward at a previous meeting and Deputy Alan Farrell has agreed to attend on behalf of the committee, accompanied by the clerk. A travel estimate is on the screen. Flights are €175, accommodation is €135, subsistence is €99 and there are miscellaneous costs of €50. The cost per member is €459 and for the two-person delegation it is €918, which is to come out of our travel budget. Is that agreed? Agreed. We will want a brief report on the event from Deputy Farrell when he comes back.

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The next item of correspondence is 419C, dated 10 April, from Deputy David Cullinane regarding the statement by the Minister of State, Deputy Halligan. We have covered that. No. 420C, dated 4 April, is from the Data Protection Commissioner to the clerk of the committee informing the committee of an investigation in respect of the forwarding by the Committee of Public Accounts of personal details of an individual in respect of an issue he raised on the granting of Aosdána grants to a particular artist. The individual's letter was forwarded so that the Arts Council could understand fully the argument the individual was making. The clerk, in preparing a response to the Data Protection Commissioner, accepted fully the oversight in not redacting the person's details and has improved the system to try to ensure this does not occur again. Is it agreed we note the correspondence? Agreed. A name was not redacted in error and the matter has now been dealt with. The committee should also note that since the commencement of the 32nd Dáil, in order to protect correspondence, we no longer identify members of the public when discussing private correspondence.

No. 423C, dated 26 March, is from an individual raising concerns about the investment of Caranua funds and a possible conflict of interest in respect of board membership. Members may note that and raise it during the meeting with Caranua later today.

That concludes a lengthy discussion on correspondence and items arising from the last meeting. The next item is No. 4 on the agenda, the statement of accounts received since the last meeting. No statements have been submitted in the last week and there is no change to the work programme at the moment. We are trying to finalise some dates in respect of Mr. Tony O'Brien from the HSE.

There being no other business, we will suspend for a moment to allow the witnesses to take their seats.

Sitting suspended at 10.13 a.m. and resumed at 10.17 a.m.

Special Report No. 96 of the Comptroller and Auditor General: Child Abuse Inquiry and Redress

Mr. Seán Ó Foghlú (*Secretary General, Department of Education and Skills*) called and examined.

Chairman: We are now resuming in public session. We are here to examine the Comptroller and Auditor General's Special Report No. 96 in respect of the cost of child abuse inquiry and redress. In the session following this one, we will be examining the financial statements of Caranua, which is an independent State body set up to help people who experience abuse in residential institutions in Ireland and have received settlements, redress board or court awards. For now, we are joined from the Department of Education and Skills by Mr. Seán Ó Foghlú, Secretary General, Mr. Dalton Tattan, assistant secretary, Mr. Martin Hanevy, assistant secretary, Ms Catherine Hynes, residential institutions redress unit and Ms Mary Cregg, planning and building unit. From the Department of Public Expenditure and Reform, I welcome Ms Marie Mulvihill. I remind witnesses, members and those in the Visitors Gallery to switch off their mobile phones entirely or put them on airplane mode as they interfere with the recording system.

I draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defa-

mation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to so do, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

Members are reminded of the provisions of Standing Order 186 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. They are also reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

I call on the Comptroller and Auditor General to make an opening statement.

Mr. Seamus McCarthy: The report for consideration by the committee this morning pertains to an examination by my office of the cost to the State of responding to abuse over many years of children resident in certain institutions run by a number of religious congregations and subject to supervision by the Department of Education and Skills on behalf of the State. There were three key elements to the response: a commission of inquiry to establish what occurred in the institutions; a redress scheme administered by the residential institution redress board to compensate former residents of the institutions for abuse they suffered; and a range of practical and social supports provided to former residents and their family members. The structures put in place to account for the costs were varied and complex, with the result that it requires considerable effort to piece together the overall expenditure in any one year. Because the work of the commission of inquiry and the redress board was almost complete at the end of 2015, I felt it would be useful, in parallel with the audits of the various 2015 annual financial statements, to compile an overview of the aggregate costs as at the end of 2015. The report also provides information on the contributions towards the costs received from the religious institutions and seeks to identify lessons learned that may potentially assist in the event that it is decided in the future to establish further redress schemes. We estimate that the final overall cost of investigating and responding to the abuse in the institutions will be of the order of €1.5 billion. By far the largest element, accounting for 82%, relates to the redress scheme. The next largest element, at 12%, relates to the various supports provided for the former residents and their families. The costs associated with the commission of inquiry which substantially completed its work in 2009 account for 5% of the total. Awards and costs related to legal cases pursued by former residents through the courts instead of under the redress scheme make up the remaining 1%. The religious congregations were indemnified against costs arising in such cases under a formal legal agreement they entered into with the Department of Education and Science in 2002.

The Commission to Inquire into Child Abuse was established in 2000 and the Department initially expected it to operate for two years at a forecasted cost of around €2.5 million. In the event, the final report of the commission which is often referred to as the Ryan report was published in May 2009 and the work of the commission cost an estimated €82 million. The redress scheme which was established in 2002 accounts for the largest element of the cost, at an estimated €1.25 billion. The original forecasted cost of the scheme was €250 million. My predecessor reported on deficiencies in the methods used by the Department in arriving at that estimate. By the end of 2015, the redress board had made awards totalling €970 million to

15,579 claimants, an average award of €62,250. Some 85% of the awards were at or below a level of €100,000 per person. The highest individual award made was €300,000. By 31 December 2015, the redress board had approved legal cost payments of €193 million to 991 legal firms in respect of 15,345 applications. A total of 17 legal firms were paid between €1 million and €5 million each, while seven were paid amounts between €5 million and €19 million each.

Outside of the redress scheme, a range of other supports were put in place by State bodies and the religious congregations to assist the former residents of the institutions. The overall spend on health, housing, educational and counselling services is estimated at €176 million. Since late 2013, the Residential Institutions Statutory Fund Board, better known as Caranua, has been providing support services for survivors paid for from cash contributed voluntarily by the religious congregations following the publication of the Ryan report in 2009. Government policy was to pursue the sharing of the cost of redress on a 50:50 basis between the State and the 18 religious congregations. The indemnity agreement signed in 2002 committed the congregations to contributing to the costs by transferring property, cash and other resources, totalling €128 million. Relative to the Department's then forecasted expenditure figure of €250 million, this would have represented an approximate share of 50:50, but the congregations' legal commitment was capped under the terms of the agreement. In the event, property assets comprehended by the indemnity agreement, valued at around €21 million, still remained to be transferred to the State at the end of 2015. Following publication of the Ryan report in 2009, the congregations offered additional cash and property, valued at €353 million, but this was not legally enforceable. The combined offer was revised down to €226 million in September 2015. Six years after the publication of the Ryan report, only €85 million, or 38% of the remaining offer of €226 million, had been received by the State.

To date, the congregations' combined commitments and offers represent the equivalent of about 23% of the overall expenditure in responding to child abuse in the institutions. Contributions actually received from the congregations up to the end of 2015 represented about 13% of the cost. Some further assets and cash were received during 2016 and the Accounting Officer will be able to brief the committee on the current position.

My report includes a number of process recommendations which have been accepted by the Department and the Department of Public Expenditure and Reform. They include a recommendation that the Department should ensure a formal evaluation is carried out of the redress scheme so as to learn lessons for the future and assess the effectiveness of the supports provided for former residents and their dependants. I am glad to note the agreement of the two Accounting Officers to these recommendations.

Chairman: I thank Mr. McCarthy. We received a letter from Mr. Ó Foghlú on 10 April 2017. In respect of that correspondence which we considered just a few moments ago before we invited him in, we were discussing Waterford Institute of Technology and FeedHenry, a matter he deals with in his letter. All I ask him, because he is here in person, is to liaise with the HEA and perhaps the Comptroller and Auditor General in due course. We need a full investigation into the State's total investment in the organisation before it was ultimately spun out. Colleagues of Mr. Ó Foghlú from the HEA and the Office of the Comptroller and Auditor General will be able to take him through the detail. We just want to raise that issue with him and ask him to be conscious of it. We are not here to discuss it with him today, but it is an issue to which we will be coming back separately on another day.

Mr. Seán Ó Foghlú: I thank the Chairman. I will do that.

Chairman: Mr. Ó Foghlú may proceed with his opening statement.

Mr. Seán Ó Foghlú: I thank the committee for giving me the opportunity to make an opening statement on the Comptroller and Auditor General's special report and the annual accounts of Caranua. The Department has also provided the committee with briefing material in advance of the meeting.

Special report No. 96 is a welcome overview of matters pertaining to the response to the terrible abuse of children that took place in industrial schools and similar residential institutions. It summarises the position on the Commission to Inquire into Child Abuse and the Residential Institutions Redress Board. Both bodies have almost completed their work and will be dissolved in the near future. The report also summarises other redress-related expenditure and provides a comprehensive summary of how the costs of the various components of redress have been funded, including the contribution being made by the religious congregations that managed many of the institutions.

The report covers the period to the end of December 2015. There have been developments since, particularly in terms of the contributions of cash and property and also in relation to expenditure. Since January 2016, a further €12.4 million in cash contributions has been received under the 2009 voluntary offers from religious congregations. In addition, eight further property transfers have now been fully completed, four under the 2002 indemnity agreement and four under the 2009 voluntary offers. The Department was advised earlier this week that one of these property transfers had been completed. This information was received after the briefing note and my initial opening statement was provided for the committee.

Projected expenditure on redress is expected to reach €1.5 billion, of which over €1.44 billion has been expended to date. The bulk of this expenditure, some €1.24 billion, relates to the redress scheme operated by the Residential Institutions Redress Board. This expenditure is in the forecasted range as set out in previous reports of the Comptroller and Auditor General. Under the scheme which was established in 2002, some 15,600 awards have been made, with an average figure of €62,250 per recipient.

Total legal costs of some €200 million have been paid to firms that provided legal services to applicants - this represents an average of some €12,800 per awardee. The redress board has no further applications on hand and is awaiting the outcome of a number of judicial review applications which are before the courts. Once those reviews are finalised, and any outstanding matters dealt with, the board will be dissolved.

The review committee which reviews decisions of the redress board on awards is also fully up to date in its caseload but is awaiting the outcome of an appeal of a decision to the Supreme Court. The Commission to Inquire into Child Abuse published its final report in 2009, the Ryan report. Since then the commission has been finalising third party legal costs and preparing for its dissolution. There is one legal bill of costs outstanding and a hearing before the Taxing Master is awaited. Total expenditure in relation to the commission is expected to amount to €82 million, broken down between third party legal costs of €31 million, the commission's legal costs of €15 million and its direct administration costs of €34 million. Indirect legal costs of €2 million were incurred by the Department as a respondent to the inquiry.

The report identifies other expenditure under the redress umbrella, including the funding of €12.7 million provided to the now dissolved Education Finance Board, a maximum of €110 million that has been allocated to Caranua, €10 million in support for counselling, and €42 mil-

lion in funding provided by the Department of Education and Skills, the Department of Health and the HSE for survivor support groups and family tracing.

Turning to the issue of contributions from the religious congregations that managed institutions, there are two separate rounds of such contributions - the 2002 indemnity agreement and the 2009 voluntary offers. The 2002 indemnity agreement between the State and the 18 participating religious congregations that managed the institutions provided for a collective contribution by the congregations of €128 million in cash, counselling services and property. This committee has previously examined a report of the Comptroller and Auditor General on the agreement and published its own detailed report on the matter.

The cash contributions of €54.42 million under the agreement have been received, while information has been provided to the Department that confirms that counselling services in excess of the €10 million provided for in the agreement have been funded directly by the contributing congregations.

With regard to property, the Department agreed in principle that a total of 64 properties would be accepted under the agreement subject to good and marketable title and agreed valuations. This number was reduced to 61 when the Department accepted and received a cash sum in lieu of three properties where good and marketable title could not be established. A total of 50 properties have been fully transferred. These properties are valued at €48.47 million in total. When combined with the cash and counselling contributions referred to above, a total of €112.9 million, representing 88% of the amount provided for in the agreement, has been received. Work to complete the outstanding property transfers is actively progressing. In most of the remaining cases the transfer process is at a very advanced stage. Most of the properties are already in use by the intended recipients.

In response to calls by Government and Dáil Éireann for further substantial contributions towards the costs of redress made in the aftermath of the publication of Ryan report, many of the congregations that were party to the 2002 indemnity agreement made offers which, in total, were valued at €352.6 million. These offers are voluntary and do not form part of any agreement.

One significant element of the most recent offer, relating to playing fields and associated lands, valued at €127 million, was withdrawn by the Christian Brothers. When this is combined with some changes in the valuation of properties previously offered, the exclusion of certain property offers and other offers not being reckoned as contributions, the total value of the voluntary offers currently in place stands at €193 million, of which contributions of cash and property amounting to some €97 million, or 51%, have been realised. The value of the additional property that I mentioned earlier is not included in this amount as a valuation as of the date of transfer has yet to be provided. The remaining cash offered is expected to be fully contributed or appropriately reckoned by 2018. A number of property transfers have been fully completed and the remaining transfers are progressing.

When the contributions provided for in the 2002 indemnity agreement are combined with the subsequent voluntary offers, the maximum total contribution that is expected to be realised stands at €321 million, of which amount €210 million, or 66%, has been received. It has been the position of successive Governments that the religious congregations should commit to making further substantial contributions towards the cost of abuse. Having regard to the work of the independent panel's report, the Government adopted a position that the congregations had the resources to bring their contribution over time to 50% of the then estimated costs. Based

on a maximum total contribution of €321 million, there is a shortfall of some €429 million in advance of achieving a 50% share. The congregations have never accepted the 50% principle and have refused further requests to augment their contributions.

The recommendations set out in the Comptroller and Auditor General's report have been accepted and the Department will be progressing them. Recommendation 1.4, which recommends that the Department actively pursues the outstanding balance agreed under the indemnity agreement, is particularly important. I can assure the committee that the Department is actively engaging with the Chief State Solicitor's office, which liaises with solicitors for the congregations and the HSE, in order to bring this about.

Caranua was established under the Residential Institutions Statutory Fund Act 2012 to utilise up to €110 million in contributions offered in the aftermath of the publication of the Ryan report to help meet the needs of former residents. While Caranua is a body under the aegis of the Department of Education and Skills, it is independent and operates under its own board.

The Department has provided support to Caranua since its establishment and exercises an oversight role applicable to statutory bodies with a view to ensuring that the organisation operates in an efficient and effective manner and in accordance with the legislation and the Code of Practice for the Governance of State Bodies. The Department is in regular contact with Caranua to discuss progress and performance and related governance issues. Caranua's annual reports and financial statements for the years 2013, 2014 and 2015 have been presented to the Houses of the Oireachtas. It is understood that the draft 2016 accounts are currently in preparation.

The Statement on Internal Financial Control that formed part of Caranua's accounts for both 2014 and 2015, and the Comptroller and Auditor General's certificate to both sets of accounts, identified a number of potential weaknesses in Caranua's payments processes. An explanation was sought from Caranua in regard to these matters and a report was recently received. The report notes the context under which the control weaknesses emerged. These related primarily to the fact that Caranua was in a start-up situation and that it took time to have appropriate staffing resources, systems and procedures in place. In addition, in striving to meet the needs and expectations of applicants in a compassionate and person-centred manner, Caranua is challenged to meet sometimes very stringent control requirements. The Caranua report also sets out the response to the various issues raised and notes the measures taken to address the weaknesses identified, which it regards as being legacy issues. The report also notes the position in regard to the recommendations set out in the Comptroller and Auditor General's management letter for 2014 and 2015. The Department has noted the responses of Caranua and the measures being taken to address the potential weaknesses and risks that have been identified. It will continue to work with Caranua to ensure that an appropriate control framework is in place.

I thank the members for the opportunity to address the committee. I am happy to take any questions they may have.

Chairman: Before I call Deputy Connolly, I wish to clarify a point with the Secretary General. He stated that Caranua was established "to utilise up to €110 million in contributions offered in the aftermath of the publication of the Ryan report to help meet the needs of former residents". Is that an additional €110 million to the figures he previously mentioned or is it €110 million out of the contributions he previously mentioned?

Mr. Seán Ó Foghlú: The €110 million is from the additional voluntary offers made by the congregations post the Ryan report.

Chairman: It is not an additional €110 million.

Mr. Seán Ó Foghlú: It is not; it is within the figures we mentioned.

Chairman: It is within the figures. The Department has not received €110 million in cash to date as a result of the additional voluntary contributions made after the Ryan report. The Secretary General stated that the voluntary contributions in place “stands at €193 million, of which ...€97 million ...” has been received or is outstanding and some of it is in property. How much cash has the Department received from that or is that earlier cash?

Mr. Seán Ó Foghlú: I am just getting the precise figure of cash post the Ryan report.

Chairman: No, not cash post the Ryan report-----

Mr. Seán Ó Foghlú: We have received €96 million post the Ryan report.

Chairman: -----but cash in the aftermath of the Ryan report.

Mr. Seán Ó Foghlú: Yes, €96 million.

Chairman: Money might have been received post the Ryan report.

Mr. Seán Ó Foghlú: In the aftermath of the Ryan report, the figure is €96 million.

Chairman: That has been received.

Mr. Seán Ó Foghlú: Yes.

Chairman: That is exactly the figure I calculated. How can there be €110 million in that account?

Mr. Seán Ó Foghlú: There is a further €14 million to be received that has not yet been received, but which the congregations have committed to providing to us.

Chairman: The witness is telling me at this point in time, and we will have Caranua in separately, that Caranua is working on a fund of €110 million. That is accepted. He is now saying that they have not even gotten the €110 million yet.

Mr. Seán Ó Foghlú: We have commitments from the congregations-----

Chairman: No, I am talking about money received. We know about the commitments. Caranua has not actually received €110 million.

Mr. Seán Ó Foghlú: No. We have received €96 million of the €110 million.

Chairman: The witness did not highlight that in his opening statement. He gave us figures, figures, figures. I have been adding and subtracting to try to work out percentages. The witness now says that I am right.

Deputy Josepha Madigan: Sorry, Chairman. It is in Caranua’s opening statement.

Chairman: Fine, but this is the parent body. We will come to Caranua. From the Department’s point of view, Caranua is the organisation handling the €110 million. The onus was on the witness to get the €110 million for it. It has not got that yet.

Mr. Seán Ó Foghlú: With respect, in the opening statement I said, “of which contributions of cash and property amounting to some €97 million, or 51%, have been realised”. In the briefing note that we provided last week, we made it clear that a total of €92 million in cash offered by the congregations in 2009 has been received.

Chairman: So the full €110 million in cash has not yet been received by Caranua?

Mr. Seán Ó Foghlú: Yes.

Chairman: I just want to put that on the record. The speakers have indicated in the following sequence-----

Deputy Josepha Madigan: Just to clarify, my understanding is that there is a €13.8 million deficit that is due over the next two years and that Caranua has received €96.2 million. Some €51.9 million of that has been spent. That was my understanding.

Chairman: I know. I thank the Deputy. However, with all of the controversy, Caranua has not even gotten what it was supposed to get at this point.

The speakers are as follows: Deputy Connolly, 20 minutes; Deputy Cullinane, 15 minutes; and Deputies Catherine Murphy and Josepha Madigan have also indicated in that sequence. I call Deputy Connolly.

Deputy Catherine Connolly: Just to clarify, we are not dealing with Caranua now.

Chairman: Yes, but-----

Deputy Catherine Connolly: Yes, that is okay. I am not going to ask questions about Caranua now. I am going to reserve them.

Chairman: Not until afterwards.

Deputy Catherine Connolly: Tá fáilte ar ais roimh Mr. Ó Foghlú and his team. Before I start asking questions - I will ask a few and try to stay away from statements - I think it is important to place why we are here with a redress board, a commission of inquiry and the conclusions of the Ryan report. I hope the witnesses have read the conclusions and I hope Caranua has read them. There are 43 conclusions and recommendations. The report is enormous. I am going to ask if the Department has changed its attitude. From the 2002 indemnity, there is still money outstanding 14 years later. Conclusion 6.03 states that “the deferential and submissive attitude of the Department of Education towards the Congregations compromised its ability to carry out its statutory duty of inspection and monitoring of the schools.” That is not referring to the Secretary General personally, but to the Department.

Recommendation 7.03 states:

The Congregations need to examine how their ideals became debased by systemic abuse. They must ask themselves how they came to tolerate breaches of their own rules and, when sexual and physical abuse was discovered, how they responded to it, and to those who perpetrated it. They must examine their attitude to neglect and emotional abuse and, more generally, how the interests of the institutions and the Congregations came to be placed ahead of those of the children who were in their care.

It is very important to place this in context. We will be looking at Caranua and at the re-

fusal to entertain another redress board for the mother and baby homes. That is the context this is in.

With regard to the redress board, the figures from the Comptroller and Auditor General seem very high at €1.2 billion or something. The average payout to the survivors was €60,000. Is that not right?

Mr. Seán Ó Foghlú: €62,500.

Deputy Catherine Connolly: By any standards, that is a very average payout. Is that not right?

Mr. Seán Ó Foghlú: It was an appropriate payout under the terms of the scheme, but since the scheme was implemented, the Government made a further decision and introduced Caranua to make further services available on top-----

Deputy Catherine Connolly: I am going to try to ask questions for the 20 minutes. We will deal with Caranua this afternoon.

Mr. Seán Ó Foghlú: But-----

Deputy Catherine Connolly: Compared to the courts, what is the average payout in the courts? The witness does have that information, because some cases went to court and the average payout was about €120,000 to €130,000. Is that not right for the ones that went to court?

Mr. Seán Ó Foghlú: The average payout of the ones that went to the courts was higher, yes. We can get the figure for the Deputy.

Deputy Catherine Connolly: More than double.

Mr. Seán Ó Foghlú: Yes, but within that there are a range of different types of findings and-----

Deputy Catherine Connolly: That is okay. I am not querying any of that.

Mr. Seán Ó Foghlú: I am not arguing that €62,500 is a huge amount of money to be paid, given the suffering that the people underwent.

Deputy Catherine Connolly: And given the findings of the Ryan report.

Mr. Seán Ó Foghlú: Yes. I am not arguing that.

Deputy Catherine Connolly: In the scheme of things, when the €1.2 billion is being quoted by the press, it is important to point out that on average people were getting €60,000, while many got €20,000. Many failed to tell their story because they were not able. Such was the abuse, they simply were not able to tell of what had happened to them. I will ask the witness a question before I get into this. Does the witness's Department have a view on the proposed new redress scheme proposed by the commission sitting at the moment on the mother and baby homes?

Mr. Seán Ó Foghlú: The commission on mother and baby homes is under the aegis of the Department of Children and Youth Affairs.

Deputy Catherine Connolly: That is not my question. My question was whether the De-

partment has a view.

Mr. Seán Ó Foghlú: The Department does not have a view separate to that of Government. The Government decision in that regard was announced on Tuesday, which was - in my understanding, though it is not under my direct responsibility - to allow the commission to complete its report in advance of considering the redress.

Deputy Catherine Connolly: I ask the witness to listen. Did the Department of Education and Skills give feedback to the Minister or to anyone on the proposal in the interim report that the existing redress or a new redress scheme be made available to those children who were in mother and baby homes unaccompanied? Did the Department have a view on that and give feedback to say that a redress was not appropriate?

Mr. Seán Ó Foghlú: It is our responsibility to feed into Government decisions and considerations. Our views are not separate from that. They are a part of that overall consideration. That is a matter for Government decision, which is a whole of Government consideration-----

Deputy Catherine Connolly: I understand that. I am still specifically asking because-----

Mr. Seán Ó Foghlú: The redress scheme is not open. It has been closed. It was closed on a statutory basis following the Government decision post-Ryan report. It is not that there is an open scheme to which this can be applied. It would be a matter of amending legislation.

Deputy Catherine Connolly: Theoretically, it is still open and has not completed its business on outstanding issues.

Mr. Seán Ó Foghlú: But it is closed for new applicants.

Deputy Catherine Connolly: I am still asking the witness a specific question. Did the Department give feedback on the appropriateness or inappropriateness of setting up another redress board or extending this one in relation to the specific recommendation from the interim report on mother and baby homes?

Mr. Seán Ó Foghlú: The Department's view is in support of the Government's view that the redress scheme is closed to new applicants.

Deputy Catherine Connolly: And that a new redress scheme was not appropriate?

Mr. Seán Ó Foghlú: New redress arrangements are not a matter for this Department.

Deputy Catherine Connolly: Why am I asking that? First of all, it is very important. Second, the predictions of the Department of Education and Skills were totally wrong on the time the commission would take and the cost of it. Is that not correct?

Mr. Seán Ó Foghlú: There were severe underestimations of the time and cost, yes.

Deputy Catherine Connolly: The Comptroller and Auditor General has pointed out how severe they were. Was €250 million the estimated cost of the redress board?

Mr. Seán Ó Foghlú: Yes. The estimates of costs were based on a lower number of anticipated applicants who would benefit from redress and a lower average cost associated with redress. We did not have the information available to us when the decision was made.

Deputy Catherine Connolly: Was the witness there at the time?

Mr. Seán Ó Foghlú: Was I in the Department? No. I was a member of staff of the Department on secondment to agencies outside the Department at the time and not working in this area.

Deputy Catherine Connolly: The estimate was made for €250 million and it ended up at €1.2 billion. Who was responsible for that forecast that was totally inaccurate, unreasonable and not based on reality? Who was responsible for that?

Mr. Seán Ó Foghlú: Those estimates were made within the Department. There was a number of challenges-----

Deputy Catherine Connolly: Was that not totally incompetent?

Mr. Seán Ó Foghlú: There was a number of challenges to accurately estimating the costs that would arise from it. There were no comparisons to draw on at the time, either in respect of the work of the commission or a redress scheme. A number of legal challenges faced by the commission caused delays. The initial plan had been for the commission to do the work and then for redress to follow. Obviously, that was changed. In the case of the commission, it unsuccessfully sought to limit legal representation and, therefore, legal costs of third parties gave rise to additional legal costs for it. Initial estimates of expenditure had been made for different reasons and the numbers were much higher than we had envisaged at the time.

Mr. Dalton Tattan: To add to what the Secretary General has said and to give an indication the difficulty the Department faced in estimating it, in July 2005 we had just over 7,000 applications for redress and the redress board had been in operation for several years at the point. We might have expected that we were coming towards the end of that. The closing date was 16 December 2005. By the closing date, the number had increased to 14,768. It had doubled, therefore, in a five-month period.

Deputy Catherine Connolly: How would that take the Department by surprise?

Mr. Dalton Tattan: It took us by surprise because the scheme had been well up and running at that point - the legislation had been enacted in 2002 - and had been well advertised. After several years of that, we would have expected that we had the bulk of the applications.

Deputy Catherine Connolly: It was totally incompetent and I rarely use words like that at this committee. To forecast the cost at €250 million and have the outturn at €1.2 billion shows me that the Department did not conduct a proper analysis. I refer back to the deferential attitude to the religious. It seems that persisted when officials were negotiating and making the indemnity agreement, to which I will return, and their predictions. That deferential attitude did not change and led them to making the wrong predictions. They can correct me if I am wrong.

Mr. Dalton Tattan: The Secretary General has explained some of the factors. The overarching difficulty was knowing what the numbers would be and what the level of award would be. We could make some estimate of the level of award based on the fact that there had been a compensation advisory committee, which had been commissioned to do work on that and, therefore, we had an idea of what the range would be but we had little data on how many people might apply. In the absence of that, it was extremely difficult. Once we had those numbers, from 2004 and 2005 onwards, we were better able to predict what the outturn was likely to be and, from that date on, predicted it accurately, despite the fact that we did not know where in the range the awards would have been made. However, we knew what the numbers would be.

Deputy Catherine Connolly: The indemnity agreement signed in 2002 by the then Minister, Mr. Woods, was for €128 million. How much is outstanding? Is it correct that this is a legally binding agreement as opposed to the promise made a few years later?

Mr. Seán Ó Foghlú: That is correct.

Deputy Catherine Connolly: How much of the €128 million is outstanding?

Mr. Seán Ó Foghlú: Eleven properties remain to be transferred-----

Deputy Catherine Connolly: What figure is outstanding?

Mr. Seán Ó Foghlú: -----which have an approximate value of €15 million.

Deputy Catherine Connolly: That updates the Comptroller and Auditor General's statement; it is higher.

Mr. Seán Ó Foghlú: Yes.

Deputy Catherine Connolly: So €15 million is all that is outstanding

Mr. Seán Ó Foghlú: Of properties.

Deputy Catherine Connolly: Do not confuse me with properties. There was €128 million. The value outstanding is €15 million and everything else has been transferred over. Is that correct?

Mr. Seán Ó Foghlú: Yes.

Deputy Catherine Connolly: Why has it taken that long?

Mr. Seán Ó Foghlú: The transfer of properties is a complicated matter which takes a number of years to work through. The first and most important thing is that the properties are being used for the purposes we wish to see them used for in order that there is no lack of use by the State of the properties or no lack of change of use by the-----

Deputy Catherine Connolly: Can Mr. Ó Foghlú give us a list of the properties?

Mr. Seán Ó Foghlú: Yes. We do that every six months in writing to the committee. In completing a property transfer, there is a standard conveyancing practice. The indemnity agreement provided that any transfers must be of good and marketable title commensurate with prudent standards of conveyancing practice in Ireland. In many cases, given the age of the properties, the history and title of the property has been proved to be complex.

Deputy Catherine Connolly: Mr. Ó Foghlú should please not list out stuff to me. I have only 20 minutes.

Mr. Seán Ó Foghlú: I am trying to explain this. This is complex and we also went to Government and got the Government to agree to ensure that the good and marketable title was not an issue. We had to slightly lower the standard so that we could transfer ownership.

Deputy Catherine Connolly: Fourteen years later, €15 million is outstanding. Mr. Ó Foghlú's answer to that is it is complex and the properties are being used. He will give us a list of the properties. The Comptroller and Auditor General recommended that the Department should vigorously pursue this and Mr. Ó Foghlú said it is doing that.

Mr. Seán Ó Foghlú: We are doing that.

Deputy Catherine Connolly: The Comptroller and Auditor General has made a number of recommendations regarding a look back assessment of the commission and the costs. Has that started?

Mr. Seán Ó Foghlú: No.

Deputy Catherine Connolly: Why not?

Mr. Seán Ó Foghlú: We have started to begin to think about how we would undertake it. We have had an initial conversation with the Department of Public Expenditure and Reform but we knew that there would be considerations here, for example, and we wanted to hear the views of the committee in looking at it. We have not completed the work and we did not want to start it until the work was fully completed. It has not been fully completed with all the transfers but we are committed to starting it.

Deputy Catherine Connolly: There are serious lessons to be learned. Mr. Ó Foghlú has accepted that and he has agreed with the Comptroller and Auditor General's recommendations that the indemnity agreement be followed up and that there should be a look back assessment. I would have expected that to have started given mother and baby homes and other institutions need to be looked at, that officials would have learned from this and that they would be coming to the committee telling us what lessons they had learned about their predictions, which were inaccurate, in terms of time, money and legal costs. On occasion, 30% of the commission's expenditure was accounted for by legal costs. It was less for the inquiry. There were many examples throughout the world of different commissions and ways of doing things. Is it correct that the idea behind the redress scheme was to cut down on legal costs?

Mr. Seán Ó Foghlú: That is correct.

Deputy Catherine Connolly: The Department has not conducted a look back assessment, yet the Government has said there cannot be another commission while specifically citing the cost of this commission as a reason for that. I do not expect Mr. Ó Foghlú to comment on that. None of the 15,000 men and women who went before the commission was at fault. Is that right?

Mr. Seán Ó Foghlú: Absolutely.

Deputy Catherine Connolly: That is important for the record. They had been systematically abused according to the Ryan report. The average payout was little. When the Government, therefore, refers to the major cost of a redress board, it has nothing to do with the applicants.

Mr. Seán Ó Foghlú: It has to do with the scale of the abuse.

Deputy Catherine Connolly: I thank Mr. Ó Foghlú. It has to do with the scale and the systematic abuse. The Department has a role in examining this quickly and learning lessons. The Comptroller and Auditor General has published many reports on an ongoing basis highlighting deficiencies and the Department has not responded. It has not completed a review. Mr. Ó Foghlú has not told me when the review will start and what lessons have been learned.

Mr. Seán Ó Foghlú: I can talk about lessons that have been learned. The Deputy has summarised the nature of many of the lessons. The uncertainty at the start about the numbers who were to be included was a key element. The planning in respect of having a commission in

advance of planning for the redress and the scale, difficulty and challenge of that is part of what we will have to look at. We have also learned about the legal costs. We tried and succeeded in reducing these costs significantly from comparative costs in the courts but we will have to look at how that can be further worked on for the future.

Deputy Catherine Connolly: What was the figure for the voluntary agreement? How did that arise? Did the Department meet the representatives of the organisations and agree this?

Mr. Seán Ó Foghlú: A number of steps were taken following the Ryan report with the congregations. It was initially led by the Taoiseach at the time with a view to having a collective engagement with the orders. We had a range of different meetings at different times.

Deputy Catherine Connolly: Was this in 2009?

Mr. Seán Ó Foghlú: Yes, following up from 2009.

Deputy Catherine Connolly: Did officials from the Department of Education and Skills meet with the religious organisations?

Mr. Seán Ó Foghlú: As I said, it was initially led by the Taoiseach at Government level. I can give the committee a list of the various meetings that were undertaken.

Deputy Catherine Connolly: That would be great afterwards, when Mr. Ó Foghlú is giving the committee the list of the properties. These informal meetings took place. Is that right?

Mr. Seán Ó Foghlú: Pardon?

Deputy Catherine Connolly: These informal meetings took place.

Mr. Seán Ó Foghlú: No. Informal would be an understatement.

Deputy Catherine Connolly: Are there minutes for all those meetings?

Mr. Seán Ó Foghlú: I am not sure whether there were minutes but they were formal meetings which led to commitments from the congregations to make further offers.

Deputy Catherine Connolly: Is Mr. Ó Foghlú not sure if there are minutes of those meetings?

Mr. Seán Ó Foghlú: I have not seen meetings of those meetings, no.

Deputy Catherine Connolly: If they were formal meetings there would have been. That is okay. These are important questions because some agreement-----

Mr. Seán Ó Foghlú: I am not saying there were not minutes of those meetings. I am just saying that I have not seen them.

Deputy Catherine Connolly: That is okay. Will Mr. Ó Foghlú check that for us?

Mr. Seán Ó Foghlú: Yes.

Deputy Catherine Connolly: As a result of that series of formal meetings a figure was agreed.

Mr. Seán Ó Foghlú: No. A figure was not agreed. Each of the congregations was asked to

make further offers. Many of the congregations responded. I have a note here that there were meetings on 4 June and 24 June 2009.

Deputy Catherine Connolly: We will not use my time with the meetings. I will just get a list from Mr. Ó Foghlú. I want the outcomes of those meetings. What was the figure?

Mr. Seán Ó Foghlú: The outcome was, as I mentioned in my opening statement-----

Deputy Catherine Connolly: Will Mr. Ó Foghlú remind me? I am sorry.

Mr. Seán Ó Foghlú: The original offer, which included the values of land as identified by the orders themselves, was €480 million.

Deputy Catherine Connolly: It was €480 million. That was the original offer at one of these meetings.

Mr. Seán Ó Foghlú: Sorry, that was the two together. This was not at one of those meetings. This is from when the congregations came back individually. My apologies, I was adding in the €128 million there. The original offer, was €352.6 million, but that offer has been adjusted downwards to €192.8 million as a result of the Christian Brothers' land offer being withdrawn.

Deputy Catherine Connolly: The figure is €193 million.

Mr. Seán Ó Foghlú: Yes, €193 million.

Deputy Catherine Connolly: How much of that has been given over?

Mr. Seán Ó Foghlú: Some €97 million.

Deputy Catherine Connolly: Just €97 million. Is it 50%? It is 50%.

Mr. Seán Ó Foghlú: Yes.

Deputy Catherine Connolly: Just 50% since 2009. Okay. How is the Department of Education and Skills pursuing that?

Mr. Seán Ó Foghlú: We have agreements in place in which the orders have indicated to us the time when they plan to give us the remaining cash elements, before the end of 2018. We are working through each of the property transfers with the Office of the Chief State Solicitor.

Deputy Catherine Connolly: Are there documents showing all of this?

Mr. Seán Ó Foghlú: There are.

Deputy Catherine Connolly: Are they freely available to us as Deputies?

Mr. Seán Ó Foghlú: They are.

Deputy Catherine Connolly: That is great. So, 50% of what they promised in 2009 has not been paid over.

Mr. Seán Ó Foghlú: When the Deputy says paid over, properties can be in use. A property's use may not change. A property may be given by an order to the State. That does not mean that the building's use will change as a result of the order transferring the property.

Deputy Catherine Connolly: Would there be many properties that would remain in the same role?

Mr. Seán Ó Foghlú: There would be a number, yes, under both the initial agreement and the second offer.

Deputy Catherine Connolly: I am not sure if the Chairman is looking at me to stop.

Chairman: The Deputy has an extra minute remaining. She is on her last minute.

Deputy Catherine Connolly: I did not realise I had that time. I would not have been so hard on pushing Mr. Ó Foghlú to answer so quickly. I was trying to get them in. Why has it taken so long?

Mr. Seán Ó Foghlú: Working through the issues with the CSSO on the range of properties offered under the voluntary offers is the issue. We are progressing some of them. One of them, for example, came over in the last few days. We are progressing them all but it is a big volume of work for the CSSO, working on behalf of the State.

Deputy Catherine Connolly: The first big problem is value for money. From what I have heard from people who have been through the system, and I have had that privilege in a different life as well, the big problem is that I know when the figure - €1.2 billion or €1.5 billion - is mentioned, it seems as if the survivors are getting it. I have mentioned this already and I am going back to it. That is not the case at all. It is my experience on the ground that a minute part of their story is being told. Mr. Ó Foghlú has acknowledged the abuse was systemic. The State was integral to the extent of that abuse. It has taken a very long time for the State to admit that. Is that not right? The apology was in 1999.

Mr. Seán Ó Foghlú: The initial Taoiseach's apology was in 1999, but I think the publication of the Ryan report was the culmination of the recognition of the horrific abuse that took place. It led to the debate and discussion around the issue, the measures that have been taken and it informed changes of practice.

Deputy Catherine Connolly: I would like to think that but then we fast-forward to 2009 and we have the Minister for Education and Science of the time making a statement in the Dáil that the State had no input into the Magdalen laundries. That has since been disproved and we have had the Magdalen report. Now we are up to the mother and baby homes and again the State is doing its damndest. My question to Mr. Ó Foghlú is at what point does an institution learn, if ever? We had an apology in 1999. We had a Minister for Education and Science in 2009 saying that the State had no role in the Magdalen laundries. Now, on the mother and baby homes, the Government has been fast out of the trap in saying that there would be no redress. Why? Because this redress scheme was so expensive.

Mr. Seán Ó Foghlú: Neither the Magdalen laundries or the mother and baby homes are funded by the Department of Education and Skills. They are not under the aegis of the Department, are not inspected by the Department, nor were they. The work on the Magdalen laundries was led by the Department of Justice and Equality. I am not personally accountable for that to this committee, however, I do see what the Deputy is saying in terms of the joined-up nature of the impact and the role of the State in relation to all of these. In each case the State engaged with the people who had been in the various places. For example, in the Magdalen laundries there was the McAleese report which was followed by Mr. Justice Quirke's recommendations. The State worked that through. On the commission on mother and baby homes, we are all find-

ing the horrific nature of what went on very difficult to see as we learn about it on the news and in official meetings. That is why the Government has established a commission. I would not say that the State is avoiding dealing with these, but I would say that it is not my responsibility to talk about the role of the State here in that regard.

Deputy Catherine Connolly: It is Mr. Ó Foghlú's role to talk about the Department of Education and Skills. It was his role to answer questions about what he said in respect of the proposed redress scheme for the mother and baby homes.

Mr. Seán Ó Foghlú: I answered that as best I could.

Deputy Catherine Connolly: Yes, he did, but in respect of all of these matters the Department of Education and Skills, the Department of Justice and Equality and every single other Department were involved at different levels. My point is that it is denial, denial until the institution and each Department is absolutely forced to do something.

My final question is in relation to the mother and baby homes. It relates to redress. This has been used as an obstacle to a possible redress. In all the meetings I attended, none of the survivors asked for redress. What they asked for was truth and information so that they would be empowered. That has not happened. That is the problem. The redress is a separate issue entirely. I forget the question I was going to ask so I will come back to it.

Chairman: Following directly on from that I want to clarify something before I call Deputy Cullinane. After the Ryan report there were formal meetings with the congregations led by the Taoiseach-----

Mr. Seán Ó Foghlú: They were initially led by the Taoiseach.

Chairman: -----with the Minister and senior officials with the congregations. Mr. Ó Foghlú has the dates of those meetings.

Mr. Seán Ó Foghlú: Yes.

Chairman: Are the minutes of those meetings to hand?

Mr. Seán Ó Foghlú: I do not have the minutes with me.

Chairman: I am asking if there are minutes.

Mr. Seán Ó Foghlú: I have not seen minutes of them, but I assume that there minutes for most of them. I have not seen those minutes.

Chairman: That is exactly the point I am coming to. We have the Taoiseach, the Minister and officials. Arising from all of that, and we know the scale of the money, the C&AG did a special report, which we are now discussing. As part of that report last year he would have to-ed and fro-ed to Mr. Ó Foghlú with his recommendations and Mr. Ó Foghlú's responses to those recommendations are in there. How could Mr. Ó Foghlú have responded to the Comptroller and Auditor General properly if he is now telling us he has not even seen the minutes of this meeting between the Government and the religious institution? How could he have properly responded to this report? How could he possibly come in here today knowing a key item for discussion was the second offer being made by the religious institution after the Ryan report and say he knows there was a meeting but has not seen the minutes?

Mr. Seán Ó Foghlú: I have summaries of the outcomes of the meeting with me and I have seen the memoranda for Government that were prepared arising from it.

Chairman: So now Mr. Ó Foghlú is saying he has seen a summary of meetings and memoranda but three or four times today he has told us he has not seen the minutes.

Deputy Catherine Connolly: He said that quite specifically.

Mr. Seán Ó Foghlú: I have not seen-----

Chairman: I have to be straight.

Mr. Seán Ó Foghlú: Yes.

Chairman: I will be saying to all Accounting Officers that we should not have to drag information from them. We expect people to come in here and co-operate fully. I am amazed and I find it extraordinary that Mr. Ó Foghlú did not take it upon himself to see the minutes of the meetings at which several hundred million was being discussed between Mr. Ó Foghlú's Department and the religious orders. I find it extraordinary that he did not make it his business to see those minutes so that when he comes before the Committee of Public Accounts he is fully informed of what went on. We are here to discuss with Mr. Ó Foghlú what went on. He is saying he has not even seen the minutes. He is presuming there are minutes. Now he is saying he has seen a summary of the meetings so somebody must have been there to record a summary.

Mr. Seán Ó Foghlú: I have reviewed the correspondence we received from the congregations, which is the correspondence and follow-on from the meetings. What they offered and how we engaged with them on the offer were very important for me in my preparation and very important for the Department.

Chairman: Can I know definitely if minutes were taken?

Mr. Seán Ó Foghlú: I cannot answer any further than I already have.

Chairman: It is Mr. Ó Foghlú's job to be here.

Deputy Catherine Connolly: What were the summaries based on?

Chairman: What were the summaries based on?

Mr. Seán Ó Foghlú: The notes prepared for me indicated that at the meeting on 4 June 2009 the Taoiseach called on the congregations to make further substantial-----

Chairman: Do not read out the notes. We will ask for a copy of those notes in a moment. How many meetings were there? What dates were they on?

Mr. Seán Ó Foghlú: The Taoiseach and Ministers met with the representatives of the congregations on 4 June 2009 and on 24 June 2009.

Chairman: What subsequent meetings happened?

Mr. Seán Ó Foghlú: Officials from the Department of the Taoiseach and the Department of Education and Skills met with representatives on behalf of the congregations on 7 July 2009.

Chairman: Mr. Ó Foghlú's officials met again on 7 July 2009.

Mr. Seán Ó Foghlú: Yes, and officials from the Department of the Taoiseach.

Chairman: Carry on.

Mr. Seán Ó Foghlú: On 15 April, the Taoiseach and Ministers met with representatives of the 18 congregations.

Chairman: That is the following year.

Mr. Seán Ó Foghlú: Yes, 15 April 2010.

Chairman: That is four meetings so far.

Mr. Seán Ó Foghlú: There is more. Officials of the Department met with representatives of each of the congregations in May 2010. There were follow-on meetings with other congregations in March 2011. In July 2011, the Minister for Education and Skills at the time, former Deputy Ruairí Quinn, and officials met with representatives of as many of the congregations that were able to attend on 22 July. There were then a number of follow-up meetings between the Minister and a number of orders in November 2011 and December 2011. Officials met another order in February 2012, another one in May 2014 and one in June 2014.

Chairman: There were at least 15 meetings, from what Mr. Ó Foghlú has read out, yet he is saying he does not even know if there are minutes of those meetings.

Mr. Seán Ó Foghlú: What-----

Chairman: Mr. Ó Foghlú is saying he cannot answer.

Mr. Seán Ó Foghlú: I said I understand there are minutes for most of the meetings but I have not seen them.

Chairman: Has anyone beside Mr. Ó Foghlú seen or taken minutes of those meetings?

Deputy Catherine Connolly: I understood Mr. Ó Foghlú did not know that there were minutes.

Chairman: We are dragging this out now. We are not finished. I am not eating into Deputy Cullinane's time. He is the next speaker. Has any of the people with Mr. Ó Foghlú seen them? This is very important. The letter Mr. Ó Foghlú got from the committee inviting him to this meeting since the Committee of Public Accounts was established made it very clear that when an Accounting Officer is attending and information is requested during the course of the meeting, he or she should have somebody on hand to go back and check the Department and get something e-mailed or sent over. It should be done during the course of the meeting, because we are here for several hours, so we do not have to wait for it in the post in a week's time. We need to know. This is extraordinary. I do not understand how Mr. Ó Foghlú performed his function as an Accounting Officer for the Department of Education and Skills, when this amount of money is concerned and he has been able to respond to the Comptroller and Auditor General's report - his responses are in the report - yet when we tease him out about the meetings, he says he does not know whether there were minutes taken and that he has never seen them. How did he adequately make those responses to the Comptroller and Auditor General's report if he does not know whether or not there were minutes taken and without taking the trouble to look at them? We are talking about hundreds of millions and Mr. Ó Foghlú does not even know if minutes were taken of the 15 meetings he has referred to? Can Mr. Ó Foghlú

ask his colleagues if minutes were taken? I am asking him to ask his colleagues to give us the answer. Were minutes taken?

Mr. Dalton Tattan: I was not at those meetings. They were prior to my time within the division in the Department.

Chairman: Which was what year?

Mr. Dalton Tattan: When did I join?

Chairman: Yes.

Mr. Dalton Tattan: I have been in the Department since 1998 but in this division since late-2015 so it postdates these events by some time.

Chairman: The witnesses are here today to answer the Committee of Public Accounts about a special report by the Comptroller and Auditor General and they are telling me they have not checked the files to know whether there are minutes of meetings there or not.

Mr. Dalton Tattan: I-----

Chairman: Does Mr. Tattan not see how it is utterly unsatisfactory for his Department to come in here in this state of unpreparedness? How could anybody make a public appearance and answer the Comptroller and Auditor General's report in public and say they have not even checked to know if there are minutes of meetings? I find it very difficult. Based on what we are hearing today, the witnesses' evidence will be inadequate. No matter how good or bad it is, it is inadequate before we start. Have the witnesses established if there were minutes?

Mr. Dalton Tattan: There are certainly minutes of some of the meetings. We cannot say with precision if there were minutes of all meetings.

Chairman: Are they easily obtainable?

Mr. Dalton Tattan: In some cases, they are online so they are available publicly. They are on the Department's website.

Chairman: So now Mr. Tattan is telling us they are online yet he has never seen them.

Mr. Dalton Tattan: We can undertake to provide them to the committee.

Chairman: That is the very minimum. We are here on behalf of a lot of people. We are not here just for ourselves. I am shocked by the deferential treatment the witnesses gave. They should have shown a bit of deferential treatment to the Committee of Public Accounts and come here ready to answer the questions. Do the witnesses not understand our frustration? We are coming across a bit angry but I am dismayed. It is 15 years on, eight years after the Ryan report and the witnesses are coming in here. In the Comptroller and Auditor General's annual report, we have had a chapter in 2002, a chapter in some other year and we now have a special report. The witnesses have arrived here today and Mr. Tattan is saying he has information online and the accounting officer has said he never saw those minutes. How are we expected to get to the bottom of this if the witnesses are so unprepared for today's meeting?

Mr. Seán Ó Foghlú: I have undertaken, together with the team, extensive preparation for the meeting. We have spent a large amount of time and there have been very many internal meetings and some external meetings, in preparing to respond to the Comptroller and Auditor

General's draft report, in preparing for the publication of the report and in preparation for this. It is not something we have taken lightly. Preparation for the Committee of Public Accounts is not something I take lightly as Accounting Officer. It is sometimes difficult to know what information may be sought when we are here. I have brought two folders full of information with me and have read through those, reviewed them and spent a huge amount of my personal time and my team's time preparing. I apologise for not having the minutes with me and for not being able to answer the question. Please be assured that I and the Department take my role as Accounting Officer and the Department's preparations for the Committee of Public Accounts very seriously.

Chairman: The criticism is not that the minutes are not in the folder. The criticism is that Mr. Ó Foghlú says he has not even seen the minutes and does not know whether they actually exist. That is the criticism. It is not that we wanted them to hand here but we do not know how Mr. Ó Foghlú could be fully briefed to attend here. He said there was a series of at least 15 meetings on what happened after the Ryan report in which hundreds of millions was discussed. Mr. Ó Foghlú said the Christian Brothers withdrew a substantial portion of that. We wanted to know what was said at those meetings and Mr. Ó Foghlú is telling us nobody in the whole preparation went to look back at the minutes of those meetings.

Deputy Catherine Connolly: Could I make a comment?

Chairman: I am sorry, I have made my point.

Deputy Catherine Connolly: On that, I asked were there minutes because it was very serious. It was not to embarrass Mr. Ó Foghlú. A big decision was made in relation to a sum of money, some of which was since taken back. It is a matter of accountability.

I had my turn, but it is extraordinary that Mr. Ó Foghlú could not give an answer that there are minutes, and that he tells afterwards it is pulled out. That is difficult. We are back to trust. The original estimates for all of the money were wrong. Is that not correct? The original indemnity was €128 million. It was a totally wrong figure. The Department was wrong on the numbers of people coming forward. Then, in 2009, a deal is done. We are simply asking questions about that deal and there are no minutes. There are minutes. The minutes are online. It is a question of accountability and trust, particularly when the figures are being misused by the Government to justify other decisions.

Chairman: Does the Secretary General understand where we are at?

Mr. Seán Ó Foghlú: To be clear, no deal was done in 2009. Just to be clear, offers were made by the orders. No deal was done. The Government is seeking increased offers.

In relation to the offer that was withdrawn by the Christian Brothers, that was the subject of correspondence in which it was withdrawn. It was not withdrawn at a meeting. I have reviewed that correspondence. Of course, we can provide copies of it.

Chairman: I am sure during the course of the meeting somebody will get into the specifics of that. Does Mr. Ó Foghlú appreciate the points we are making-----

Mr. Seán Ó Foghlú: I understand the points.

Chairman: -----that there was a series of meeting and Mr. Ó Foghlú does not know whether there are minutes or not, and if they were there he has not seen them, and then somebody says

some of them are online.

When the Minister was going into the Dáil to deal with this, how was Mr. Ó Foghlú preparing parliamentary replies, which Mr. Ó Foghlú, as Secretary General, must sign-off on, for the Minister if Mr. Ó Foghlú had not even an awareness of whether ministerial meetings were happening? The Department provides lots of briefing notes. I question the whole procedure in relation to the public accountability, both in the Dáil Chamber and in here, specifically today. Mr. Ó Foghlú, as the Secretary General, does not even know whether there were minutes or not. I do not mean to personalise it. It is a comment on how Accounting Officers should know the key facts of whether meetings happened or not.

Mr. Seán Ó Foghlú: There is absolute clarity on the offers that were made, and absolute clarity on the consideration of the offers, what was refused and what was changed. There is absolute clarity on that. The Department has not misinformed the Minister. I apologise if the Chairman feels I am not fulfilling my role in coming here and I will seek to endeavour to learn-----

Chairman: Get the information.

Mr. Seán Ó Foghlú: -----from what the Chairman has said.

Deputy David Cullinane: I want to make an observation first. Before I do, can Mr. Ó Foghlú elaborate on who exactly is with him here on behalf of his team? We have their names, but what are their roles within the Department?

Mr. Seán Ó Foghlú: Certainly. To my left, Mr. Dalton Tattan is assistant secretary. He is in a division that covers social inclusion, special education-----

Deputy David Cullinane: I had that.

Mr. Seán Ó Foghlú: -----redress and NEPS. Catherine Hynes, principal officer in the redress area, accompanies him. To my right is Mr. Martin Hanevy. He is the assistant secretary in the schools division - the funding of schools and so on. As part of that also, Mr. Hanevy's role relates to the child protection arrangements that are being put in place in the schools sector at the moment. To Mr. Hanevy's right, is Ms Mary Cregg. She is in the planning and building unit. She is the principal officer in charge of site acquisitions, property transfers and property management.

Deputy David Cullinane: Okay. I take it all of the witnesses have read the Comptroller and Auditor General's report, or have they? Can I ask that question first?

Mr. Dalton Tattan: Yes.

Deputy David Cullinane: Everybody has read it, okay.

I have read the report, probably three or four times at this point. It is a troubling report for all sorts of reasons. It is difficult for us, even to put questions in relation to costs, because nobody is disputing, as Mr. Ó Foghlú stated earlier, that every cent that was given to survivors was entirely appropriate. The issue is who pays, and the issues, in the case of any questions that we put, are around process.

I have to say to Mr. Ó Foghlú that, after reading the report several times and taking on board the gravity of the findings of the Comptroller and Auditor General in his report, I found Mr.

Ó Foghlú's opening statement to be a bland account of the issues. That is just the first point I would make. I wonder if the Department has any concept of self-reflection, accountability, responsibility and recognition of failures because it does not jump out at all from Mr. Ó Foghlú's opening statement. In fact, quite the opposite is so. That is extraordinary. That is merely my view and I will state that first.

The following is the first question I will put to Mr. Ó Foghlú. I want to focus on policy here. The policy was initially that the congregations that ran the institutions would share equal liability of whatever the overall cost would be. Would Mr. Ó Foghlú confirm that was the policy?

Mr. Seán Ó Foghlú: The initial policy and the decision of the Government was actually to provide redress. The decision to provide redress was made, and that the State would ensure that redress was provided was not made at the same time as a decision on shared liability.

Deputy David Cullinane: With respect, that does not answer my question. What I am going to do is-----

Mr. Seán Ó Foghlú: I am not trying not to answer the Deputy's question.

Deputy David Cullinane: -----follow the logic of the Comptroller and Auditor General's report.

Mr. Seán Ó Foghlú: Okay.

Deputy David Cullinane: This is not me saying this. I want to be clear on the facts. On page 11, in the summary, under Contributions from Religious Congregations, the last paragraph states:

Government policy is that the congregations who ran the institutions would share equal liability of the €1.52 billion cost of redress i.e. contribute €760 million.

The point of that, I would imagine, is that the policy at the time is that there would be equal liability, which is the question I put.

Mr. Seán Ó Foghlú: The Deputy asked me what was the policy. That asks what is the policy. There are important distinctions. The policy is that there would be an equal contribution. That is the policy, but at the initial establishment of redress, the policy was not that. That is what I am saying.

Deputy David Cullinane: The policy was not-----

Mr. Seán Ó Foghlú: The policy was not-----

Deputy David Cullinane: Mr. Ó Foghlú should be very clear. Will he say that again, in terms of the original policy?

Mr. Seán Ó Foghlú: When the decision was made on redress, the decision was made that Government had to make sure that redress was provided and the Government committed to providing redress. My understanding - this is from reviewing the files in detail - is that the Government's actions in setting up a redress scheme were not motivated to any significant extent by considerations about, even at the time, the balance of liability between the State and the orders.

Deputy David Cullinane: At what point was it Government policy that there should be equal liability? When did that become Government policy, and how?

Mr. Seán Ó Foghlú: Once the decision was made in principle, the decision was then made to seek to engage subsequently with the orders in relation to-----

Deputy David Cullinane: I am not asking about engagements. This is a straightforward question. The language used in the Comptroller and Auditor General's report is straightforward where it states, "Government policy is that the congregations who ran the institutions would share equal liability ...", and it determines 50% of the overall cost of redress, which results in a figure of €760 million. My question is when did it become Government policy that there should be equal liability.

Mr. Seán Ó Foghlú: At the Government meeting post-Ryan.

Deputy David Cullinane: Post-Ryan?

Mr. Seán Ó Foghlú: On 25 February 2010.

Deputy David Cullinane: Pre-Ryan then, it was not Government policy to ensure that there was equal liability.

Mr. Dalton Tattan: To assist, it is correct it was not Government policy to have a 50:50 split until following the Ryan report and then the panel report that looked into whether the congregations could afford to offer more. To add a slight addition just to be aware of, in the context of the indemnity agreement, when the indemnity agreement was being considered with the congregations back in 2001 and early 2002, the view was that there should be an attempt to seek a 50:50 subject to a cap, which was €100 million. That became the Government's negotiating position with the congregations at that time.

Deputy David Cullinane: I understand all that. It has been recognised by the witnesses that it is Government policy that it should have been an equal liability. Has that been achieved?

Mr. Seán Ó Foghlú: No.

Deputy David Cullinane: What percentage of the liability has been met by the religious congregations so far? I refer to what has been paid, not what has been offered. How much has been handed over? Is €194 million an accurate figure comprising voluntary contributions and the indemnity agreement?

Mr. Seán Ó Foghlú: I think it is €210 million.

Deputy David Cullinane: What does that equate to in percentage terms in the context of the overall cost?

Mr. Seán Ó Foghlú: A sum of €210 million out of €1.5 billion.

Deputy David Cullinane: Is that not well below 50%?

Mr. Seán Ó Foghlú: Yes, well below.

Deputy David Cullinane: When the initial indemnity agreement was put in place, was there a relationship between the payments the congregations made to the indemnity given? They were to pay €128 million. Was there a relationship between that amount being paid and the congregations being indemnified?

Mr. Seán Ó Foghlú: It is a collective agreement and, therefore, the indemnification applies

to all the congregations. The collective agreement is that the congregations will contribute the figure that the Deputy has indicated.

Deputy David Cullinane: They have paid €106 million of the €128 million.

Mr. Seán Ó Foghlú: The remaining transfers are property transfers. They have paid all the cash amount.

Deputy David Cullinane: Are they legally obliged to pay the €128 million?

Mr. Seán Ó Foghlú: They have signed up to a legal agreement-----

Deputy David Cullinane: Because that was part of the indemnity.

Mr. Seán Ó Foghlú: Yes.

Deputy David Cullinane: But the Department has not got all of that yet.

Mr. Seán Ó Foghlú: No, but the buildings are in the use of the State.

Deputy David Cullinane: But the Department has not got all of that.

Mr. Seán Ó Foghlú: No.

Deputy David Cullinane: Did Mr. Ó Foghlú say earlier that the Department expects to get all of the €128 million by 2018?

Mr. Seán Ó Foghlú: No, I did not. I have not put a deadline on the land transfers. That was about the cash transfers for the post-Ryan offers. We do not have a target date; it is a matter of working through each of the remaining properties. However, we are working with them and each of them is progressing. There are challenges in some of them.

Deputy David Cullinane: The €128 million was based on an estimated cost of €250 million. The Comptroller and Auditor General highlighted in his report that the original forecast was for everything, including the cost of the commission, redress, supports and legal fees. Is that correct?

Mr. Seamus McCarthy: At that stage, the focus was on redress. It was not envisaged that there would be a wider panoply of services. I would mention as well-----

Deputy David Cullinane: For the commission and for the redress?

Mr. Seamus McCarthy: Yes, at the same time the commission of inquiry was not expected to cost what it went on to cost. They are ballpark figures.

Deputy David Cullinane: There was a ballpark figure of €250 million, which will be €1.5 billion before this is finished. Is that correct?

Mr. Seán Ó Foghlú: Building on what the Comptroller and Auditor General has said, the overall cost will be €1.5 billion. Obviously, there are some expenditures within that such as the maximum of €110 million for Caranua, which would not have been fully envisaged at the start.

Deputy David Cullinane: Even if that is stripped out, given the estimate was €250 million, the cost will be multiples of that and we can all accept that.

Mr. Seán Ó Foghlú: Absolutely.

Deputy David Cullinane: The €128 million payout that was part of the indemnity agreement with the congregations was based on the forecast of €250 million, which was dramatically wrong. There is a huge variance between what was forecast and what will eventually be the cost. How was the forecasting done? Earlier in response to Teachta Connolly, Mr. Ó Foghlú referred to a lower number of anticipated claimants.

Mr. Seán Ó Foghlú: The initial estimate of the redress, which we have looked through, in October 2000 was the number of claimants being unlikely to exceed 2,000 and an average award of IR£35,000.

Deputy David Cullinane: What was that based on?

Mr. Seán Ó Foghlú: The level of information available at the time. It was subsequently revised upwards to IR£200 million.

Deputy David Cullinane: Information from whom or from where exactly?

Mr. Seán Ó Foghlú: From the cases in the courts and from the limited information that was available at the time. There were a large number of cases in the courts. This gets to the kernel of the point that there was not sufficient information available at the start to know about the costs. These were revised upwards, as Mr. Tattan said, over the years.

Deputy David Cullinane: I will stop Mr. Ó Foghlú there because I do not want retrospective excuses. In real time, when somebody was making a decision and estimating a cost, what information did he or she have at the time? One can look back afterwards and say X, Y and Z was not envisaged. What information did the Department have at its disposal? This is not provided in the briefing document or in the opening statement. How did the Department come up with the initial forecast of €250 million? This is important because this is the reason we are only going to get 14% of the overall cost from the religious congregations. The amount committed to by them in the initial indemnity agreement, which they are legally obliged to pay, is based on the €250 million forecast.

Mr. Seán Ó Foghlú: I refer to a Committee Public of Accounts report in 2005 when it looked at this issue. The costing that went into the €250 million estimate was based on the number of cases in the courts at the time because it was very much focused on the courts. The belief was at the time that the cases in the court would feed into the redress and it would meet the need of people based on the courts. The average settlement figure used at the time was €127,000. When the Department met the committee about this prior to its 2005 report, it indicated it had used all the sources of information available to it in calculating the liability and, particularly, the extent to which people had applied to appear before the Laffoy commission and the freedom of information cases. That was the approach that was taken.

Deputy David Cullinane: But the Department got it drastically wrong in terms of the cost.

Mr. Seán Ó Foghlú: There can be no disputing that.

Deputy David Cullinane: Because there can be no disputing that, when in this country do people take responsibility for that? Nobody to my knowledge has been held to account for that. Where is the transparency? Mr. Ó Foghlú is the Accounting Officer. He may not have been in that position at the time but given the State and the Department got this so wrong and

the taxpayer is paying contributions that should have been paid by the religious congregations, he can understand why we are concerned and why we want to make sure not only is a look back exercise conducted and mistakes recognised but that there is accountability for failures. With respect to Mr. Ó Foghlú, that is not reflected in his opening statement, as I said in my opening remarks.

Mr. Seán Ó Foghlú: There has been accountability with the Accounting Officer in the Department appearing to discuss this very issue closer to the time it took place. When the Deputy says there has been no forum for accountability, he should note this committee has engaged on the issue on a number of occasions over the years. This is not the first time the Accounting Officer of the Department-----

Deputy David Cullinane: Does Mr. Ó Foghlú believe just appearing before the Committee of Public Accounts is sufficient?

Mr. Seán Ó Foghlú: That is one of the primary aspects of accountability in the State for an Accounting Officer. That has been the case. The Accounting Officer has been here. I am not seeking to shy away from being here to reflect on what has happened. Clearly, there was an underestimation. The first thing is that the Government decided, notwithstanding whether there would be a contribution from the orders, that it wished to put a redress scheme in place. The contribution from the orders is very important and the Government policy is that it should be 50%. That was an arrangement subsequently put in place. The most important points are that redress was made available, as appropriate, and it was and that the commission was established, held its hearings in order that it could facilitate the societal discussion that was undertaken and came to the conclusions about which Deputy Catherine Connolly talked.

Deputy David Cullinane: We are now at a point where we are dependent on voluntary contributions from the congregations because the only legal responsibilities in relation to the amount agreed to are part of the indemnity agreement. Following the Ryan report, there was obviously outrage in this regard and the religious congregations stated they would make a contribution of €353 million. That was then reduced because there were issues with some school playing fields and associated lands belonging to the Christian Brothers. Therefore, the contribution was reduced to €226 million, of which we have received only €85 million, or 38%. What legal options or avenues are open to the State to get the full amount offered?

Mr. Seán Ó Foghlú: It was an offer. It is not legally binding.

Deputy David Cullinane: There is no legal requirement at all. If we do not get one cent more from any of the organisations based on the voluntary commitments made, there is nothing we can do about it. Is that what Mr. Ó Foghlú is telling me?

Mr. Seán Ó Foghlú: No. The Deputy said there was no legal liability. First-----

Deputy David Cullinane: Is there no legal option open to us?

Mr. Seán Ó Foghlú: There is no legal option.

Deputy David Cullinane: There is no legal option open to us.

Mr. Seán Ó Foghlú: Will the Deputy, please, let me answer the first question before I answer the second? When he says “if we do not get one cent more,” he should note that the orders are operating on the basis of a commitment – obviously, they can pull back from it as they wish

– to transfer the remaining cash and buildings and land. We are confident that they will do so. Let us park that issue. To be fair-----

Deputy David Cullinane: Is Mr. Ó Foghlú telling me that of the €225.6 million committed to, he is confident that every cent will be paid?

Mr. Seán Ó Foghlú: No. I am confident that we are advancing on the land associated with it. We have not seen in our engagement with the orders on these issues that they are unwilling to transfer the land. However, I stress that the figure will depend on the land value when the land is transferred, not necessarily on the land valuations included in the 2009 offer. The land may be worth more or less than they thought it was in 2009 when the offer was made. We are working through the land transfers with them. They have not reneged on them and we are confident that we will receive the land. Moving past that, we have sought what we seek through the engagement. Initially there was the post-Ryan report engagement, after which, as the Deputy will recall, the Government changed and the new Government came in. That Government and the then Minister who was leading on the issue, Deputy Ruairí Quinn, met the orders to ask for further contributions. They have not committed to anything further as a result of that initiative.

Deputy David Cullinane: My point is we had a legal commitment of €128 million under the indemnity agreement. We then had voluntary offers, amounting to €353 million, and this figure was reduced to €225.6 million. Mr. Ó Foghlú is confident, notwithstanding valuations of properties, that he will get all of that sum.

The activity of two of the congregations is somewhat problematic. It is fair to point out that some of the congregations have actually given the entire amount they did offer, but some have not. The Christian Brothers initially offered, as I said, school playing fields and other lands, but it withdrew that offer. Its value was about €120 million. It subsequently offered €34 million, but it has paid only €10 million. The Sisters of Mercy offered €127.5 million, of which only €24.9 million has been realised. That, to me, seems problematic. Will Mr. Ó Foghlú explain to me why that is the case?

Mr. Seán Ó Foghlú: I will do my best. The Christian Brothers' cash offer is €30 million. It has now paid €21.2 million, leaving €8.8 million remaining which they have committed to providing. It includes a very recent transfer, I believe-----

Deputy David Cullinane: But they are not going beyond it in terms of the €120 million they initially offered-----

Mr. Seán Ó Foghlú: I will talk about that in a second.

Deputy David Cullinane: If they have not committed to transferring the lands, would they then not look at giving that sum of money in cash? Are we just going to decide that their withdrawal of the offer of lands worth €120 million is the end of it, or will we go back and ask what other contribution they can make?

Mr. Seán Ó Foghlú: We have pushed them. The difficulty with the lands is that they referred to them as being included in the offer, but when they offered them, they offered to transfer playing fields to a joint trust. As it was not a full offer to transfer ownership, we went back to them and asked that the lands be transferred to the State, with guaranteed access for the schools currently using them under licence for as long-----

Deputy David Cullinane: What about the Sisters of Mercy?

Mr. Seán Ó Foghlú: May I complete my response? This was not accepted by the Christian Brothers. The Minister, having discussed it with his colleagues in government, then asked that they be transferred to the Edmund Rice Schools Trust, the trust the Christian Brothers had established, and that, if they ended up selling the land, they should give 50% of the value of the sale to the State. They turned that down. That is what they did. They then informed us that they were transferring the lands to the Edmund Rice Schools Trust.

Deputy David Cullinane: I want to make one final point. When I mentioned the offer of €225.6 million by the congregations, a statement was made by Mr. Ó Foghlú that this value might not be realised because the land valuations might be lower. If that is the case, we need to get the cash from the congregations to make up the value of the offer. We simply should not accept properties that are worth less than what was actually offered voluntarily and if the land is worth less, it should be supplemented by cash payments to make up the difference. Will Mr. Ó Foghlú come back to me about the Sisters of Mercy? A sum of €127.5 million was offered, of which €24.9 million was realised up to 2015. What is the current figure?

Mr. Seán Ó Foghlú: The Sisters of Mercy have provided the full €20 million in cash that they committed to providing.

Deputy David Cullinane: It says €127.5 million was offered and that €24.9 million was realised; there is, therefore, a shortfall of over €100 million.

Mr. Seán Ó Foghlú: It is the remaining property that we are working through with them. There are 13 educational properties, four health sector properties, 15 in the voluntary sector and 16 to sell to go into the fund. They have completed their cash contribution to the fund; therefore, it is the remaining property offers that we are working through.

Deputy David Cullinane: I will come back in later.

Deputy Catherine Murphy: I agree with the point made that our talking about this issue in a very cold way in relation to the finances is at odds with the nature of the issue at hand, but that is what is in front of us. Every one of us accepts that there was a spectacular underestimation of the liability or the extent of the problem. The extent of the problem has produced a liability. Deputy Catherine Connolly talked about a deferential approach. It seems that the Department was negotiating with orders which had a far better understanding of the potential extent of the problem. While the indemnity was given in 2002, the extent of the problem was in full view by 2009. It strikes me as very strange that when an offer was made, despite the indemnity being given, that it was not included in a firm contract. Given the almost grudging - that is the best word that comes to me - fulfilment of the commitment under the indemnity agreement between 2002 and 2009, surely it should have alerted the Department of Education and Skills to the need to put it firmly on a contractual basis, at the very least?

Mr. Seán Ó Foghlú: to be clear, I agree with the Deputy's initial comment. We are talking about finances and so on, but we are obviously also here to discuss something very different. That is where we are. There were offers. The engagement of the Government, the Minister and the Department with the orders was one in which they did not believe in the 50:50 principle. They have not signed up to and not agree with it. They were not willing to do anything other than make offers. They were not willing to commit to a contract in making them. So far, in the vast number of cases where offers were made, with the exception of the Christian Brothers' property, the orders are on the way to meeting or have seen through the offers made. They do not believe in the 50:50 principle and that is a difficulty. Our engagement with them could only

be described as being very robust in seeking additional contributions from them. We have had very frank exchanges and correspondence about the offers and with the Christian Brothers on the withdrawal of the offer made. It is not something we have taken lightly.

Deputy Catherine Murphy: How firm did Mr. Ó Foghlú believe the offer made in 2009 was when they were not willing to enter into an agreement?

Mr. Seán Ó Foghlú: We were always very unsure about the nature of the playing fields offer. We engaged with them and worked it through, but they were not willing to give us joint ownership of it, which would even amount to a case of the State having half the proceeds were they to sell the land. They have a point of view on this issue with which I do not agree, that the lands are in use by schools. I do not agree with their point of view and wish we could have taken full ownership of the lands. If we had taken full ownership, it might have been possible, for example, to squeeze in a new primary school in a growing area on one section of the lands, or something like that, but that has not been the case.

Deputy Catherine Murphy: I remember quite well that much of the discussion on the number of people who had initially come forward to seek redress was about people not knowing that there was a redress scheme in place because they had left the country. Who could have blamed them? When the figures doubled, I presume there would have been a sizeable number of people from outside the State that would have increased the number from 7,000 to 14,000. Is that the case?

Mr. Seán Ó Foghlú: The Deputy has touched on a couple of things. There is an awareness issue. This group of people have been through such hardships that they might not want to identify as part of the group that was subjected to this severe start in their lives. They came through at different times. Following the awareness raising for people outside the State, quite a high proportion of claims were from people in the United Kingdom which shows that quite a number of the people who left are in the United Kingdom. I think 33% of them are in the United Kingdom and 6% in other countries. They became aware at different times of what was available in different ways. When we explain that costs went up and that the numbers of applications increased at certain times, we are not doing so to apportion blame to people for applying late.

Deputy Catherine Murphy: For exactly the same reasons, some found it very traumatising to come forward and the redress scheme was a route that did not lead to a courtroom. One of the things that would have influenced people also is that lawyers would not end up with the lion's share of any award made. That is why I find it very hard to reconcile the average payment of €62,500 with the figure of nearly €13,000, the average legal payout. The ratio is incredibly high when one considers that it was a redress scheme rather than cases been prosecuted through the courts.

Mr. Seán Ó Foghlú: Yes, it is very high. The comparison with the figure for legal costs, were a case to go through the courts, is a good one. Legal costs represent about 61% of payments made when cases go through the courts. Cases can be very expensive. As the Comptroller and Auditor General notes in his report, under the redress scheme an in-house legal cost team was established to develop expertise in negotiating. Where third party costs could not be negotiated in-house, they were referred to a legal costs accountant retained by the board and then, if necessary, the taxing master. They have to put a huge amount of effort into seeking to minimise the costs involved.

Deputy Catherine Murphy: Have lessons been learned in the event that a similar redress

scheme is initiated in the future?

Mr. Seán Ó Foghlú: That is part of the recommendations at which we need to look. How can we put legal arrangements in place on a less costly basis? It is not simple. For example, the commission took a number of steps to try to minimise the number of lawyers that could be brought in. People took lawyers to court and lost cases. In any redress arrangement people want to be accompanied on the legal side and we do not want to deny them that opportunity. The idea that the State should have lawyers to accompany them to be paid at different rates would impact negatively on people's perceptions of their engagement in the process. The approach has been to try to minimise costs, but it has to have regard to the needs of the people going through the process in as fair a way as possible.

Deputy Catherine Murphy: Mr. Ó Foghlú would have had ongoing engagement with the religious congregations that were not forthcoming, that were resisting or taking far too long to comply, at least the ones included in the indemnity agreement. Did he notice a difference in their compliance with what was included in the indemnity agreement when such things as the Ryan report were published? Did that have an impact on the ongoing engagement between the Department and different religious institutions? Did public pressure play a part?

Mr. Seán Ó Foghlú: They signed up to and are seeing through the indemnity agreement. I think the debate in society on the publication of the Ryan report and the engagement with the orders, led by the Taoiseach, led to a huge amount more being offered by the orders. On the attitude of the orders to be willing to offer more on a voluntary basis, while it is not anywhere near 50:50 and it looks like an insignificant amount in the context of what is not there, that is not to say that it is not a significant amount as opposed to if they were not giving that much at all. That is what I am trying to say. Yes, there was a mindset impact on everybody in Irish society at that time. That included the orders.

Deputy Catherine Murphy: Obviously, the word compensation would have to be in inverted commas because nothing can compensate for all of the things that were documented in the Ryan report, but ultimately people went through a redress scheme. A redress scheme does not remove the possibility of individuals within the religious orders being held to account through the legal system. Were any proceedings ultimately taken against people who were identified through the process? Who would have prosecuted such cases if that was the case?

Mr. Seán Ó Foghlú: Is the Deputy referring to civil cases or State prosecutions?

Deputy Catherine Murphy: I would have thought there would be State prosecutions.

Mr. Seán Ó Foghlú: The commission engaged in its work confidentially so it could not refer on for prosecutions from there. Is that not right?

Deputy Catherine Murphy: So it was down to individuals to-----

Mr. Dalton Tattan: We are aware anecdotally of prosecutions of members of religious orders both in respect of day schools and of residential institutions.

Deputy Catherine Murphy: Is it a failing of a redress scheme that it almost produces an indemnity, except for somebody who takes a civil case?

Mr. Seán Ó Foghlú: It produces an indemnity for the order. The redress scheme did not introduce the indemnity. The indemnity introduced the indemnity, but the two things became

associated. To get full co-operation and to have openness in the commission, the indemnity was introduced to take it away from a prosecutorial nature and to bring it into a safer space. On balance, for the State, but more important for the victims, that brought about as good an outcome as possible, given that some of them had a chance to tell their story and that there was redress available. Given the horrific circumstances, on balance, that package of State responses appears to have met the need to the greatest extent possible.

Deputy Catherine Murphy: On quite a small item but one that is important for some people-----

Chairman: The Deputy is on her last question.

Deputy Catherine Murphy: My question relates to the small amount of money provided to allow for work to reconnect people with families. Does the Department have an evaluation on that service at this stage? Some of us will hear from people who feel that there is a resistance in some of the orders to being forthcoming with information that might be available, their records for example. That is really quite hurtful for people to come up against. Has the Department evaluated that at all?

Mr. Seán Ó Foghlú: First of all, I would echo the Deputy's sentiment that it is a very valuable service. It is one that we continue to provide and will continue to provide and support until the demand for it ceases. We currently have a service agreement with Barnardos in Dublin for its operation and we have a performance delivery agreement with Barnardos about how they operate it. We reviewed the scheme in 2011 and we downsized it slightly because the demand had reduced. I am not aware of difficulties in co-operation between Barnardos, in operating the tracing service, and the orders. It is certainly something we can check on and come back to the Deputy on.

Deputy Josepha Madigan: I will be brief because I am going to be leading with Caranua. Most of my questions have been asked. First of all, I have to publicly declare that I have acted as a solicitor for claimants who made a claim to the residential redress board. The last one I was involved in was in 2007. I think I did a maximum of approximately ten such cases. I want to put that on the record so that I am not subject to any conflict in that regard.

Can I just ask about the eligibility criteria which are under review by the Department? Has that review started?

Mr. Seán Ó Foghlú: We are consulting on the terms of reference for the eligibility review. We will start the review once we have completed the consultation on its terms of reference.

Deputy Josepha Madigan: Does Mr. Ó Foghlú think the criteria used for the survivors were too strict? Does he think that they made it too difficult for survivors? The average assessment was 39 out of 100 points. Most assessments resulted in awards of less than €100,000, which, as has been said already, were quite small. Does he think that, as was alluded to by Deputy Catherine Murphy, some of the perpetrators might have avoided prosecution because claimants were encouraged to settle through the redress scheme rather than go through the courts?

Mr. Seán Ó Foghlú: On the first question, is the Deputy asking about the eligibility for Caranua being too strict? Is that what she is referring to?

Deputy Josepha Madigan: Yes.

Mr. Seán Ó Foghlú: We do not have a firm view. That is why we want to have a review. We understand that there is some unease among the client group and the potential client group and I think we need to explore that thoroughly, but on the other hand we are conscious of the potential maximum pool of survivors now-----

Deputy Josepha Madigan: Has the review started yet?

Mr. Seán Ó Foghlú: -----and the total funding available. Even when we started looking at the establishment of Caranua one option was to just do a *pro rata* distribution but we worked that through, we talked to people and we decided not to do it that way. So, no, the review has not started, but we are consulting on the terms of reference and we want to complete that consultation and then look to see whether the approach is-----

Deputy Josepha Madigan: When does Mr. Ó Foghlú expect it to start?

Mr. Seán Ó Foghlú: We expect it to start in the next couple of months because we are still consulting on the criteria for the review. In this space, we always have to be very careful that we have consulted as fully and widely as possible with the group. Consultation has underpinned the establishment of Caranua in terms of the concept of its establishment.

Deputy Josepha Madigan: I will be dealing with Caranua later on, but I think that should really be expedited because it is such a harrowing experience for these survivors. We know that. If the Department is going to be reviewing the eligibility criteria it needs to be done sooner rather than later.

Can I ask Mr. Ó Foghlú about the contributions from non-Catholic organisations? Have congregations from non-Catholic denominations been pursued to contribute to the redress scheme? I know that there was a very harrowing account by an Eileen Macken on RTE recently. There are 18 congregations that have promised funding - inadequate funding, but funding nonetheless. What is the Department's position on the absence of non-Catholic denominations from contributions?

Mr. Seán Ó Foghlú: The redress scheme goes beyond the 18 orders which signed up to the indemnity. We have sought a contribution from the management body of any of the homes or schools within the redress scheme. That would be done with all of them, whether they were Catholic, Protestant or neither. In terms of the follow-up that we have done, we have followed up with them. We followed up with 24 institutions, although we understand that it is a very small proportion of the redress groups overall. As of yet-----

Deputy Josepha Madigan: Sorry, I am not clear on what the witness is saying.

Mr. Seán Ó Foghlú: We have followed up with 24 institutions-----

Deputy Josepha Madigan: In total.

Mr. Seán Ó Foghlú: That includes Catholic, Protestant and non-denominational institutions. We have----

Deputy Josepha Madigan: How many of them are non-Catholic?

Mr. Seán Ó Foghlú: From a look, there are a number of non-Catholic ones, but we can give the Deputy the full list. Nobody gave any contribution.

Deputy Josepha Madigan: Can the witness answer whether or not any of the contributions made by individual congregations are in any way proportionate to the awards made to those abused under their care?

Mr. Seán Ó Foghlú: No, we cannot. We are precluded from getting information on the awards made in law. There was some dialogue between the Comptroller and Auditor General's office and the redress board to get some very high level information on applications, which is published in the-----

Deputy Josepha Madigan: It would be helpful to see that data.

Mr. Seán Ó Foghlú: We are not allowed to see it. We are not allowed to ask for it or see it and they are not allowed to give it to us. Therefore, we are not allowed to work on the basis of proportionality. We have explored legally whether that is the case. The conclusion legally is that that is the case.

Deputy Josepha Madigan: It is important that we see that there is not a correlation there and that there is no favouritism, for want of a better word.

I wish to ask about counselling. Some €10 million was offered up for counselling and support. Who was to provide this counselling support? I presume it is not being provided by the congregations under whose care these people have suffered. I presume external groups were used.

Mr. Seán Ó Foghlú: Just give me one second.

Deputy Josepha Madigan: Sure.

Mr. Seán Ó Foghlú: As part of the indemnity agreement, there was €10 million for counselling services provided by the congregations themselves. We went through a process to sign off on that to ensure that at least that amount of counselling was provided. As far as I understand, that is now complete.

Deputy Josepha Madigan: Who provided the service?

Mr. Seán Ó Foghlú: Towards Healing is the name of the organisation. It is a Catholic Church-run organisation called Towards Healing.

Deputy Josepha Madigan: It is a Catholic organisation. One can see-----

Mr. Seán Ó Foghlú: It was part of their contribution under the indemnity which then-----

Deputy Josepha Madigan: One can see the irony of that. That is the very point I was trying to make, though I did not know what the answer would be. I think it would have been better in terms of reassuring the claimants had they received counselling from an external group. Would the witness accept that?

Mr. Seán Ó Foghlú: Perhaps Ms Hynes will come in on the other counselling that was available.

Ms Catherine Hynes: There is a counselling service provided by the HSE. People who have suffered abuse in any institution can avail of that-----

Deputy Josepha Madigan: I was just told it was a Catholic-run organisation called To-

wards Healing.

Ms Catherine Hynes: There is a funded Catholic one called Towards Healing, but in addition-----

Deputy Josepha Madigan: That has provided counselling to claimants who have suffered abuse in Catholic organisations.

Ms Catherine Hynes: It provides counselling, but it is not mandatory for a person to avail of counselling from Towards Healing.

Deputy Josepha Madigan: No, but does the witness not see the difficulty there?

Ms Catherine Hynes: I can understand that it is a difficulty that survivors have raised. There is also-----

Deputy Josepha Madigan: For future reference, I think it would be advisable to employ an external group.

Mr. Seán Ó Foghlú: We clearly do not disagree with the Deputy on that-----

Deputy Josepha Madigan: I just wish to point it out.

Mr. Seán Ó Foghlú: -----for the future, but this was part of the discussions that were undertaken on the indemnity and-----

Deputy Josepha Madigan: I understand that, but I think it is unfortunate. That just makes the situation worse for people when they are trying to extricate themselves from a situation after being through so much.

I wish to ask about the Sisters of Mercy health and education properties. Did they offer any schools and hospitals specifically?

Mr. Seán Ó Foghlú: This is post-Ryan we are talking about. The Sisters of Mercy offered a number of different schools. One was a VEC college and one was a former school. They offered some lands. They have offered a number-----

Deputy Josepha Madigan: What lands have they offered?

Mr. Seán Ó Foghlú: They offered Beaumont Convalescent Home grounds, which is going to the HSE. It is not fully transferred yet.

Deputy Josepha Madigan: What is the value of that?

Mr. Seán Ó Foghlú: The value of that is €3 million. We have a full list of all of the offers, which we can provide information on. There are a number of offers accepted in principle by the HSE that we are working through. For example, one is the site of the National Rehabilitation Hospital, NRH, in Dún Laoghaire, which is valued at €45 million.

Deputy Josepha Madigan: That is not the Smiley's Homes, is it? Is that a different matter?

Mr. Seán Ó Foghlú: It is the NRH. It is the whole of the National Rehabilitation Hospital.

Deputy Josepha Madigan: Is that being transferred?

Mr. Seán Ó Foghlú: Yes. They are in the process of transferring a number of different schools and HSE buildings.

Deputy Josepha Madigan: Does the witness know the approximate total value of all of those?

Mr. Seán Ó Foghlú: I have the total value offer from-----

Deputy Catherine Murphy: Can I interject to ask if that was under the 2002 agreement as opposed to 2009 agreement?

Mr. Seán Ó Foghlú: 2009. The total value of properties that the Sisters of Mercy offered post-Ryan report is €107.5 million.

Deputy Josepha Madigan: That is quite significant. Will that be done over the next few months?

Mr. Seán Ó Foghlú: These are being worked through over time with the Chief State Solicitor's Office, CSSO.

Deputy Josepha Madigan: That is fine.

Chairman: I call Deputy Aylward.

Deputy Bobby Aylward: I want to ask a few questions about the day-to-day running of the redress scheme. Funeral expenses were recently introduced. Is it true that expenses are paid in advance to an undertaker? This to me sounds like a very bizarre-----

Chairman: That is a question for Caranua. That is for the next session. We have a second set of witnesses coming in from Caranua. We have the Department of Education and Skills witnesses here to discuss the awards from the old redress scheme. The Caranua people that the Deputy is talking about-----

Deputy Bobby Aylward: Sorry. I was not here at the beginning. Sorry about that.

Chairman: We just said that the Caranua witnesses will come in when we are finished with this session. They are waiting outside. Those questions are for Caranua.

Deputy Bobby Aylward: They are for Caranua witnesses. Will they be here in the afternoon?

Chairman: We might even hear their opening statement in a few minutes.

Deputy Bobby Aylward: Okay. Sorry about that.

Chairman: The Caranua witnesses are all coming in in a few minutes.

Deputy Bobby Aylward: Okay. Sorry about that. I will just ask a few questions on the terms of reference of the review of eligibility. The terms of reference are being drafted at the moment and looked at again. Under the terms of the review, would there be the potential to make a one-off payment to remaining survivors? Is that a possibility under this review? Would the Department look at this? I have a list here of a few that I can give to the witnesses to look at under the review that they are saying is only starting now.

Mr. Seán Ó Foghlú: We are willing to look at different issues in terms of the outcome of

the review. I do not want to preclude what the review outcome might be. However, I would say that the issue of cash payments to survivors was something that we consulted on when we were establishing Caranua, but we decided against that approach.

Deputy Bobby Aylward: Were there any one-off payments ever made to any individual?

Mr. Seán Ó Foghlú: There have been no one-off cash payments. The payments are for services.

Deputy Bobby Aylward: Okay. What about potential lump sum payments being made to remaining survivors twice per year, such as at Christmas and summer time? Could that be looked at under the review? Is the witness saying that there are no lump sum cash payments at all?

Mr. Seán Ó Foghlú: The payments are for services rather than just cash payments to individuals.

Deputy Bobby Aylward: So no one ever got a cash payment. It was all only for services. I ask the witness to explain “services”. What kind of services were they getting? What is the difference between an individual getting a lump sum and getting services paid for?

Mr. Seán Ó Foghlú: I suppose-----

Deputy Bobby Aylward: Some people might be living in their own houses. How are they given services? Are there no cash payments made to anyone as compensation?

Mr. Seán Ó Foghlú: The concept of Caranua under the 2012 Act was that there would be funding for four classes of services: mental health counselling and psychological supports, health and personal social services, educational services, and housing support. The concept behind it is to support people in accessing services, as opposed to making cash payments to them.

Deputy Bobby Aylward: I did not understand that. I understood that the Department was compensating them with hard cash. There is reference to an average of €60,000 so I thought it was that amount in cash.

Mr. Seán Ó Foghlú: The Deputy might be confused. The redress is a cash payment, which was an average of €60,000. Caranua is for the services.

Deputy Bobby Aylward: I mixed up the two of them.

Chairman: Yes. Over the years they were the settlements to the people who went to the redress board. The average figure is €60,000. Caranua is the recent scheme and that group will be before the committee shortly.

Deputy Bobby Aylward: I am sorry. I am putting the wrong questions to the wrong people.

Chairman: They will appear before the committee shortly.

Deputy Bobby Aylward: I have a question on the legal fees, which were mentioned already by Deputy Catherine Murphy. They appear to be extraordinary. We are not talking about court cases here, but redress. I see that €193 million was paid to 991 legal firms. This represents 15% of total costs. That appears to be large and excessive, particularly for redress rather than fighting cases in court. It is a great deal of money for legal fees. Some 991 legal firms have gained well from that. Does it not appear excessive to the witness?

Mr. Seán Ó Foghlú: Obviously I agree that it is a high figure, but the nature of the various arrangements we had in place was to try to ensure that people who had suffered would be helped legally in applying for redress. We put arrangements in place to try to minimise those costs both within the redress board and externally. We have worked that through and we have tried to keep the costs as low as possible. The difficulty is that the denial or limiting of legal access for people is a barrier we did not wish to cross in establishing this. That is the difficulty and challenge when faced with the legal costs, but it is something we must examine in the future.

Deputy Bobby Aylward: In hindsight, does the witness believe that initiatives could have been taken to reduce the legal fees, before this started?

Mr. Seán Ó Foghlú: Initiatives were taken to minimise the legal fees. The legal fees are much less than they would be in the confrontational court setting. No simple measure comes to mind that could have been taken that would have minimised it.

Deputy Bobby Aylward: Is there an estimate for the cost of the remaining legal fees? It is €193 million already. What is the estimate for the future?

Mr. Seán Ó Foghlú: It is about seeing out the existing cases, that is, working through the small number of existing cases and finalising the legal fees with the determining bodies.

Deputy Bobby Aylward: What percentage of cases is left? How many have been dealt with and how many are left?

Mr. Seán Ó Foghlú: The cases have all gone through. It is about finalising the legal aspect.

Deputy Bobby Aylward: That is fine. I have questions for the other group from Caranua.

Chairman: Before we conclude, I have a brief question. With regard to the original estimate of €250 million, Mr. Ó Foghlú mentioned a figure of around a couple of thousand cases that may be in the system. On what figure did you base that €250 million? Was it 2,000 or 3,000?

Mr. Seán Ó Foghlú: I think it was 2,000.

Chairman: Where did that figure come from?

Mr. Seán Ó Foghlú: It was the number of cases we had on hand at the time. From the middle to late 1990s, the State started to be sued about cases.

Chairman: What was the figure?

Mr. Seán Ó Foghlú: At one stage there was a figure of approximately 800 and it was estimated that it would go to approximately 2,000. That was the initial estimate.

Chairman: The Department had 800 specific cases and it estimated there would be 2,000.

Mr. Seán Ó Foghlú: Yes.

Chairman: Of the 139 institutions covered under the scheme, the obvious starting point is how many people went through the 139 institutions over the years. That is the total population if one is trying to get an estimate. You should start at that figure rather than just those who have already commenced legal proceedings. What is the answer to that? How many people went through the 139 institutions?

Mr. Seán Ó Foghlú: I do not think we have accurate figures on that. It is not something on which we have information. That was part of the challenge in the estimation at the start.

Chairman: You cannot tell me even though they were all under the direct supervision of the Department over the years.

Mr. Seán Ó Foghlú: To be fair, they were not all under direct supervision, but I know the point the Chairman is making.

Chairman: Okay, but most were.

Mr. Seán Ó Foghlú: Yes, most of the big ones were.

Chairman: Even at the initial stages, although some Department officials had visited some of those schools, there was nowhere in the Department-----

Mr. Seán Ó Foghlú: There was no record kept of the total numbers who were in them.

Chairman: I will ask a different question. I hate to put it this way but the Department was obviously paying the religious orders based on the number of people who went into the institutions over the years.

Mr. Seán Ó Foghlú: Yes.

Chairman: How was that worked out? Surely the Department worked that out.

Mr. Seán Ó Foghlú: These would have been very historical records going far back. This is the challenge.

Chairman: Okay. What was the Department's best estimate if it did not know exactly?

Mr. Seán Ó Foghlú: I do not have an estimate. All I can say is our understanding of how the estimate was put together in 2000, but I have no-----

Chairman: I understand that, but I am asking a different question now. There were 16,649 applications. To give your own best estimate at this stage, and I realise it is not an exact figure, does anybody have any idea if that was 10%, 50%, 70% or 90% of the people who were in the institutions? Have we any concept of how many people were in them?

Mr. Seán Ó Foghlú: Perhaps the Ryan report would be useful here. The wording he used refers to systemic abuse in the boys' homes. It was not quite as strong in the girls' homes. There were high cases of abuse. That is using his words in terms of the numbers. We do not have an idea of the proportion of those who were in the schools and the homes and the relative proportion. We do not even know the numbers who were successful claimants and the degree of claimants by type of institution or by religious order because we are not legally allowed to get that information.

Chairman: That is the 16,000 and the confidentiality attached to those agreements. You do not know how they break down. In fact, some of the people were in various institutions, not just one, so it might not even be possible. We understand that and we understand the confidentiality. We also understand that it cannot be broken down by individual congregation because of the confidentiality, and rightly so. I have an entirely different question. Some 16,649 people submitted applications. Have you any idea what proportion that is of the total number? Was it 90% of them?

Mr. Seán Ó Foghlú: We do not know.

Chairman: You have no idea? Can anybody help us? I do not know how you will conduct a review of anything if you have no concept of the starting point.

Ms Catherine Hynes: The industrial schools received a licence to operate. They could only have the number of children within that institution for whom they were licensed. We know from the Ryan report and other narratives that, in fact, the numbers often exceeded the number for which they were licensed. We have a difficulty with tracking children through the system. Take the example of an institution such as Marlborough House. Marlborough House was a detention centre for children who were waiting to be seen by the courts. However, from Marlborough House one could easily have ended up being referred to one of the industrial schools or the reformatory schools, so there would be a degree of overlap. Looking back, we now know the scale of systemic abuse that existed in these organisations. We have limited information about, for example, the numbers that were licensed to operate.

Chairman: What did the licence number total?

Ms Catherine Hynes: It varied depending on the size of the institution.

Chairman: I know, but have you added up the total?

Ms Catherine Hynes: We do not have a complete picture.

Chairman: What is your best incomplete picture? It is something, and I have nothing.

Ms Catherine Hynes: I would not like to give an incomplete estimate at this stage.

Chairman: Okay, but we have no concept of whether that 16,000 represents some or a majority. We need to know, for people to have an understanding and to learn. I accept that you have an incomplete picture, that you cannot stand over it and that it cannot be audited. However, somebody in the Department of Education and Skills has a ballpark estimate. It might be wrong, but it is something. Can you help us?

Mr. Seán Ó Foghlú: The ballpark estimates that were wrong are one of the failings that we undertook in the past. Members will understand that we are very hesitant to give any ballpark figures-----

Chairman: Even when it is all over, we still do not know how many.

Mr. Seán Ó Foghlú: All I am saying is, off the top of my head sitting here in this forum where a figure would be open to challenge-----

Chairman: It could be a headline tomorrow.

Mr. Seán Ó Foghlú: Yes. I do not think we will go there, but what we can say is that we will look at this in that context and there may be something in the Ryan report.

Chairman: It is just to give us a better understanding; it is not to trap Mr. Ó Foghlú.

Mr. Seán Ó Foghlú: We can quote from the Ryan report. It states that between 1936 and 1970 there were 170,000 children and young persons-----

Chairman: Please read it again.

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Mr. Seán Ó Foghlú: Between “1936 and 1970, a total of 170,000 children and young persons (involving about 1.2% of the age cohort) entered the gates of the 50 or so industrial schools”.

Chairman: A total of 170,000-----

Mr. Seán Ó Foghlú: Children.

Chairman: They represented 1.2% of what?

Mr. Seán Ó Foghlú: The age cohort.

Chairman: Of the population,

Mr. Seán Ó Foghlú: Yes. That is what is stated in the Ryan report.

Chairman: Roughly 10% of that figure have made applications. That is the only figure I have.

Mr. Seán Ó Foghlú: That is his figure. I am quoting from the report.

Chairman: I am not asking Mr. Ó Foghlú to stand over it.

Mr. Seán Ó Foghlú: I know that, yes.

Chairman: At least, it gives us an estimate. Given that the Department had a vague idea of the licence agreements in operation for the schools at the time, why did Mr. Ó Foghlú consider the 2,000 figure was a valid starting point? It highlights a very major weakness in the original starting point.

Mr. Seán Ó Foghlú: I agree that it was a major weakness. What we all learned in the first ten years of the process was the systemic nature of the abuse. We were all surprised and shocked by it. I am not sure anybody would have fully realised and known its scale. If one looks at what would have been the best way to do this, it would have been best to have a commission to look at the scale of the abuse and then to have a redress scheme in place. That technically would have been the best way to go, but, unfortunately, we do not live in a technical world but a real world. The population was getting older and there were appropriate demands for redress. There were many court cases and the Government made a call to provide redress without having the full knowledge.

Chairman: Does Mr. Ó Foghlú have any idea of how many of the 16,000 were boys and how many were girls? If he does not know, he does not know.

Mr. Seán Ó Foghlú: We do not have access to a breakdown here. I am not sure whether it is something on which they might be able to give us information or whether it will be covered under the-----

Chairman: It is not included in the Ryan report or any of the other reports.

Mr. Seán Ó Foghlú: No.

Chairman: No.

Mr. Seán Ó Foghlú: Not that I am aware of.

Chairman: Will Mr. Ó Foghlú confirm that the legislation provided that all of the awards given by the redress board, whether it was €60,000 or €100,000, would be disregarded as means when it came to making applications for social welfare payments? I presume the answer is yes.

Mr. Seán Ó Foghlú: Yes.

Chairman: Is that a yes?

Mr. Seán Ó Foghlú: It is.

Chairman: I would expect it to be. My next question is to the Comptroller and Auditor General. I had a conversation with Mr. Ó Foghlú at the beginning about when the meetings happened after the Ryan report was published in 2009. The offer of €352 million was made after a series of meetings. When the Comptroller and Auditor General was compiling his report, did he get records of any of the meetings or did he see them?

Mr. Seamus McCarthy: No, I do not think we looked for them.

Chairman: Mr. McCarthy did not-----

Mr. Seamus McCarthy: We took the offers as communicated by the Department.

Chairman: The Comptroller and Auditor General did not check the records of the actual meetings.

Mr. Seamus McCarthy: No.

Chairman: We are concluding the discussion of this issue now. It would be very wrong of me at this stage not to reiterate, on behalf of the committee, the apology made by the Taoiseach in 1999 on behalf of the State to the survivors of abuse when he announced the establishment of the Commission to Inquire into Child Abuse. We have been talking about the financial end of it. It might be a little raw and difficult for people, but as Chairman of the Committee of Public Accounts and a Member of Dáil Éireann, I reiterate the apology on behalf of the State and the Oireachtas made by the Taoiseach in 1999.

Sitting suspended at 12.35 p.m. and resumed at 12.45 p.m.

Caranua Financial Statements 2014 and 2015

Ms Mary Higgins (*Chief Executive Officer, Caranua*) called and examined.

Chairman: In our first session we examined the Comptroller and Auditor General's special report No. 96 on the cost of the child abuse inquiry and redress scheme. In this session we will examine the financial statements of Caranua for 2014 and 2015. As I mentioned earlier, Caranua is an independent State body which was set up to help people who had experienced abuse in residential institutions in Ireland and received settlement redress board or court awards. From Caranua, we are joined by Ms Mary Higgins, chief executive officer; Mr. David O'Callaghan, chairman; and Mr. David Yeomans, director of finance and corporate affairs. From the Department of Education and Skills, we are still joined by Mr. Seán Ó Foghlú, Mr. Dalton Tatten, Mr. Martin Hanevy, Ms Catherine Hynes and Ms Mary Cregg.

By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by ab-

solute privilege in respect of their evidence to the committee. However, if they are directed by it to cease giving evidence on a particular matter and continue to so do, they are entitled thereafter only to 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 asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or an entity by name or in such a way as to make him, her or it identifiable.

I call on the Comptroller and Auditor General to make a brief opening statement. For this session he is joined by Ms Ruth Foley, deputy director of audit.

Mr. Seamus McCarthy: The residential institutions' fund board, better known as Caranua, was established, as the Chairman said, in March 2013 under the Residential Institutions Statutory Fund Act 2012. The board's financial statements before the committee in this session are for the financial years 2014 and 2015. Caranua is responsible under 2012 Act for managing and disbursing funds donated by religious congregations to support the needs of former residents of residential institutions. No Exchequer sourced funds are involved. The Act provides for the donated funds to be used to pay grants to former residents for certain approved services, that is, housing support services, health and well-being services and education, learning and development services.

Following the publication of the Ryan report in 2009, the religious congregations offered cash contributions that totalled a combined €110 million, in addition to cash contributions committed to and paid over under the terms of the 2002 indemnity agreement. By the end of December 2015, €85 million of the total of €110 million had been received into the special fund and some interest had also been earned on the balances held. From an initial slow start in 2013, Caranua rapidly increased its spending, as shown in the graph, from which members will see that in the first nine months of operation in 2013 the expenditure was negligible. In 2014 there was expenditure in excess of €10 million, while in 2015 expenditure increased to just over €30 million. By the end of 2015 the status of the amounts received from the religious congregations was as follows: a total of €38.6 million had been paid out by way of grants to former residents; €3.4 million had been used to fund Caranua's administration costs and the balance of €43.3 million was being held by Caranua in an investment account with the National Treasury Management Agency.

I issued a clear audit opinion in respect of Caranua's financial statements for 2014 and 2015. However, for both years, the audit report draws attention to the statement on internal financial control which discloses weaknesses in the board's controls over grant payments. The concern was that these weaknesses created a risk that grant expenditure might not have been used for the purposes intended in at least some cases. For example, for 2015, Caranua could not provide evidence that price quotations had been obtained in advance in about one third of a sample of grant applications examined in the audit. Claimants for housing related support grants had provided proof of property tenancy or ownership in only one third of a sample of cases examined in the audit and required follow up by Caranua such as the collection of receipts for grant funded work or purchases which had been completed for only around 15% of the grants paid. The statement on internal financial control sets out the steps being taken by the board to resolve the control weaknesses identified. The adequacy of the controls will be examined again in the audit of the 2016 financial statement.

Chairman: I invite Ms Higgins of Caranua to make her opening statement.

Ms Mary Higgins: I thank the Chairman and members of the committee for the invitation to attend to review with them our financial statements for 2014 and 2015 and giving me the opportunity to make a short opening statement. By way of context, I will give a brief overview of Caranua, its aims and application process. Caranua was established, as the Chairman said, under 2012 legislation to manage a fund of €110 million to support the needs of survivors of institutional abuse, people who had been placed in the care of State as children and experienced neglect and abuse in these institutions which had been managed by religious congregations on behalf of the State. The damaging effects of this experience are lifelong and while most survivors have led fulfilling lives, the lives of many others have been limited in multiple ways because of what they endured as children.

In setting out to design a service for survivors we aimed to base it on their expressed needs and preferences and what was known about the effects of adverse childhood experiences and how they could be addressed. This approach was helped by our having four survivors on the board. We also consulted about 200 individuals in Ireland and England during 2013. It was clear that the majority of survivors were ageing and that very many of them were disadvantaged educationally and in other ways and would find it difficult to engage with a service that was in any way bureaucratic or rigid. It was with these survivors in mind that we designed our application process on the principle that if it worked for the most vulnerable, it would work for everyone. Our central aim was, and is, to put survivors at the heart of everything we did. Our application process is values-based, needs-led and person-centred. It is broken into different stages. When an applicant is ready to apply for services, he or she is appointed a dedicated adviser to provide support, advice and information in making an application to Caranua and, as necessary, make referrals to and/or advocate with other organisations for other services. We try to ensure there are no barriers for someone in applying to us and we pay particular attention to ensuring our application and other information materials are accessible. All are in plain English. We have easy-to-read versions and short films on our website. We organise a number of outreach events every year at which applicants and potential applicants can come to meet advisers and other staff face to face. We hold a monthly clinic with interpreting services in Dublin.

Deputy Catherine Connolly: This is not the same as the written statement.

Ms Mary Higgins: It is not substantially different. I just changed the order in order that it would flow better.

Chairman: It is just that we are trying to follow it.

Ms Mary Higgins: I beg your pardon. I should have said I did some last minute editing.

Deputy Josepha Madigan: May we have a copy?

Ms Mary Higgins: I have a copy and can certainly circulate one.

Chairman: When Ms Higgins is finished, we will circulate it. Is the content of the draft we received-----

Ms Mary Higgins: It is substantially the same. I tried to shorten it because, when I read it, it was ten minutes long and I knew that it was meant to be five minutes.

Chairman: We will keep going and listen carefully.

Ms Mary Higgins: We organise a number of outreach events every year. We hold a monthly

clinic with interpreting services in Dublin for people who are deaf or hard of hearing and offer online face-to-face assessments to them through the Irish Remote Interpreting Service. We protect and promote the confidentiality of survivors in contact with us and do not discuss individual applications without the written permission of the applicant. We receive value feedback from applicants and other stakeholders. We actively seek it through informal conversations, formal feedback mechanisms and our complaints procedure. We use feedback to review and improve our services and processes. Applicants can also avail of the independently established process to appeal decisions made by Caranua.

Engagement in consultation has continued to be a cornerstone of our approach and we work closely with survivor support groups such as the Aislinn Education and Support Centre, SOCA UK, Right of Place, the Alliance Victim Support Group, Whispering Hope, Irish welfare services in the United Kingdom and the dedicated survivor counselling services that were referred to earlier.

The length of time it takes to assess, process and complete an application varies according to the needs and circumstances of each applicant and can span a number of months and involve an average of about 30 telephone calls for each one, in addition to other written communication. We opened for applications in January 2014 and, to the end of March this year, over 5,000 individuals were eligible to apply to us. A total of 4,362 had actually applied for services, 4,000 to the point of payment. We have spent over €56 million of the fund on services for survivors.

The average number of payments each applicant receives is eight. The average value of a payment received by an applicant is €13,000. That is an average figure for a large number obviously and there are outliers within it.

Deputy Catherine Connolly: We do not have the document and I would really like to have a copy.

Chairman: We are at a little bit of a disadvantage.

Deputy Josepha Madigan: In terms of referencing, it is going to be hard.

Chairman: I am going to ask for a copy. There will be time. As soon as Ms Higgins finishes, we will get a copy.

Ms Mary Higgins: This information was contained in the briefing document we supplied last week.

Chairman: We will have copies circulated in a moment. All I can say at this stage is that members should bear with us.

Ms Mary Higgins: Will I keep going?

Chairman: Ms Higgins should complete her contribution and we will then make and circulate a copy.

Ms Mary Higgins: After some time being dependent on temporary agency staff, during which there was a high staff turnover, we have, since the second half of 2016, a directly contracted full staff team in place. These staff were carefully selected for their skills, experience and attitudes. They are professionally qualified and experienced in the areas related to their responsibilities. The work of Caranua is complex and an intensive induction programme, with ongoing skills development and opportunities for internal supervision and external support, is

available for all staff.

We work hard to deliver a good service, but we do not get it right all of the time. The comments made by the Comptroller and Auditor General are completely warranted. Our systems were imperfect. We accept the recommendations made and are in the process of implementing them, as reported in our briefing document.

We faced a number of significant challenges in achieving good practice standards and controls. For very good reasons, we got started quickly and organisation processes and systems have been retrofitted over time. We are trying to balance the requirements of care and compliance. In considering how best to do this we have concluded that having a range of direct contracts with preferred suppliers, whereby Caranua will contract directly with them for specified services, is the best way forward. All financial transactions are between us and the supplier and there is no need for applicants to get quotes and obtain receipts. Since the beginning of the year, we have in place a contract with the Sustainable Energy Authority of Ireland, for example, whereby it will do the work it does in terms of energy efficiency for applicants who apply to us in this regard.

Caranua is, by definition, a limited fund. It has a sum of €110 million. When that money is gone, we will be gone. We are planning to wind down the organisation by 2019, at the latest. In the interim we will continue to deliver services to survivors and work to support other community-based and specialist services to recognise and respond effectively to the needs of survivors in order that they can be cared for beyond the life of Caranua at home and not in institutions. This will ensure a lasting benefit for the people who have used our services and, I hope, contribute to the prevention of the abuse of children in the future.

I thank members for their attention. My apologies for having caused tremendous confusion. I am sorry.

Chairman: If that is worst bit of confusion caused today, it will be quite all right. I thank Ms Higgins for her statement. Somebody will collect it from her and we will copy and circulate it. I know that we had received a briefing note. There will be votes in the Dáil shortly and we will probably have to suspend while they are taking place.

Deputy Josepha Madigan: I thank Ms Higgins and her team for coming. The reason it would have been helpful to have had her opening statement is that it is difficult for me to refer to a particular paragraph if the paragraph numbers have been changed.

Ms Mary Higgins: I understand.

Deputy Josepha Madigan: It makes my work a little more difficult at the beginning. The first thing I want to say which I said earlier in relation to the Department is that I represented around ten claimants against the redress board in 2007 in my capacity as a solicitor. I just want to make Ms Higgins aware of that. It has no bearing on the matter, but I just want to communicate it in the interests of transparency.

Ms Higgins states in the second paragraph of her written submission that Caranua “is aimed at improving the quality of life of survivors of institutional abuse”. To a certain extent, there are many reports that Caranua has actually disimproved quality of life, to some degree, in the sense that there is, of course, a financial aspect to what the organisation, not Ms Higgins *per se*, is trying to achieve.

In many ways Ms Higgins's opening statement does not add up. She says the staff have been carefully selected for their skills, yet in the last paragraph of her written submission she states, "In addition it is planned to enhance our work with other service providers so that they can be trauma informed and recognise and respond to the needs of survivors". I know from dealing with claimants that they have suffered trauma - a heinous, horrendous trauma. In a sense, many of them are suffering from post-traumatic stress. On the one hand, Ms Higgins is talking about the fact that she has taken on staff for their skills and, on the other, accepting that she needs to look at the issue in terms of having staff who are trained in relation to trauma. Will she explain that to me? She states in her written submission that "Caranua is engaged in the delivery of a care service to people who may be vulnerable". I suggest they are and continue to be vulnerable. If it is true - I am only putting it to Ms Higgins on behalf of the Committee of Public Accounts - that they have been made vulnerable in the manner they say they have been, they have been made even more vulnerable. I would like to hear Ms Higgins' comments on that issue also.

Ms Mary Higgins: I will start with the last one, the one about survivors being vulnerable.

Deputy Josepha Madigan: Ms Higgins said "may".

Ms Mary Higgins: I will explain. The reason for that is because a lot of survivors would not see themselves as vulnerable. They do not describe themselves as victims and they do not like to be put into that kind of category. It is for that reason that I am usually careful with the language that I use.

Deputy Josepha Madigan: In my book, I think "victim" and "vulnerable" are different words.

Ms Mary Higgins: Okay, well I am just explaining the rationale for saying they are not a homogenous group of people and some of them are extremely resilient and, as I referred to in the opening statement I made, have had good lives.

In terms of the statement not adding up about the staff and the trauma-informed services, they are two different things. Our own staff are carefully selected. They are supported, managed and supervised to deliver services that are appropriate to the people we are working with. What is not well understood outside of specialist services for survivors are the effects of adverse early childhood experiences and therefore not all services are well attuned to why somebody might be behaving the way they are behaving and what their needs might be. What we are planning to do over the coming years is to work more closely with mainstream service providers and specialist services to ensure that there is an awareness of early childhood trauma and the effects that has for the rest of people's lives.

Deputy Josepha Madigan: Does Ms Higgins accept that she said: "You can't control people's experience of what we do for them", some clients "will never be happy" and grievances "suit such a narrative"?

Ms Mary Higgins: I think Deputy Madigan is referring to an article from *The Irish Times*.

Deputy Josepha Madigan: I am just asking Ms Higgins if she made those comments about the claimants.

Ms Mary Higgins: Not exactly. I have the transcript of the interview in front of me and I can tell the Deputy exactly what I said.

Deputy Josepha Madigan: Perhaps Ms Higgins could clarify her comments.

Ms Mary Higgins: I have it with me but I do not have it in front of me. The context is that I that I was being asked about our making people feel like they were begging. I think I prefaced it my reply by saying that I can completely understand how somebody who has to come and ask for something might feel as if they are begging but, as I described in my opening statement, we have very consciously and deliberately set out to design a service that does not do that to people. To the best of our ability we do not do that.

Deputy Josepha Madigan: Is Ms Higgins saying she did not say “You can’t control people’s experience”.

Ms Mary Higgins: No, I am trying to put a context on the comments that I made.

Deputy Josepha Madigan: So Ms Higgins did say it.

Ms Mary Higgins: No, I am going to say-----

Deputy Josepha Madigan: Ms Higgins is saying she said it but she is putting it in context. Is that correct?

Ms Mary Higgins: I am saying that, “If people feel” like that - I am quoting now from the interview.

Deputy Josepha Madigan: No, I did not ask that, I am just asking whether Ms Higgins made that comment: “You can’t control people’s experience of what we do for them”, as in, ergo, Caranua.

Ms Mary Higgins: What I said was something to the effect that it is not our intention to do-----

Deputy Josepha Madigan: Did Ms Higgins say that or did she not?

Ms Mary Higgins: No, I did not say it, because it has been-----

Deputy Josepha Madigan: Ms Higgins did not say it.

Ms Mary Higgins: No, and I am trying to explain what I did say, that we have-----

Deputy Josepha Madigan: Could Ms Higgins tell me what she did say?

Ms Mary Higgins: I am trying to say we have designed a service specially to meet the needs of the people that we are working with.

Deputy Josepha Madigan: I saw that in Ms Higgins’s opening statement.

Ms Mary Higgins: We cannot control the experience that people have, and if people have that experience what I was trying to explain is-----

Deputy Josepha Madigan: So that is really the same thing, in essence.

Ms Mary Higgins: It is not because we are trying to deny them anything, it is true that-----

Deputy Josepha Madigan: I am not saying Ms Higgins is trying to deny them anything but I think she can understand how that can come across as a pejorative and insulting statement.

Ms Mary Higgins: Yes, I do completely.

Deputy Josepha Madigan: And that it has quite passive-aggressive undertones. Does Ms Higgins accept that?

Ms Mary Higgins: I do. Absolutely.

Deputy Josepha Madigan: So there is an admission that Ms Higgins said it and that she did not mean anything by it.

Ms Mary Higgins: Yes, and I think it is very unfortunate the way it was reported and I certainly regret any pain or offence that was caused by those comments.

Deputy Josepha Madigan: Did Ms Higgins say the complaints about Caranua suit the narrative of the big bad State and the big bad religious congregations?

Ms Mary Higgins: I did.

Deputy Josepha Madigan: Would Ms Higgins like to explain those comments?

Ms Mary Higgins: I think there is a narrative and for very obvious and justifiable reasons we have a situation where thousands of people were taken away from their families, as children, and put into institutions which were brutal. I do not think as a society we have processed what happened there and I do not think we have faced up to what the effects are on those people and on society as a whole. There is a simplistic kind of narrative-----

Deputy Josepha Madigan: The complainants have not done anything wrong.

Ms Mary Higgins: I am not saying that they have.

Deputy Josepha Madigan: I know, but by saying that it feeds into that narrative. It can come across as insensitive in effect.

Ms Mary Higgins: Yes, I am trying not to be insensitive but what I am trying to say is that there is more to this situation than the State having done something bad and the church having done something bad. That is part of it but in order to get beyond that it is more complex and we have to come to terms with it.

Deputy Josepha Madigan: Yes, I will move on but I just wanted to give Ms Higgins the opportunity to respond to those comments because they are about people who have gone through harrowing times and when they listen to that it complicates the situation for them and compounds their suffering.

In relation to the limit on the number of services one can apply for and the fact that there was a cut-off point in mid-2015, does Ms Higgins think that is directly related to the fact that Caranua itself did not get the €110 million yet? Is there a direct correlation between those factors?

Ms Mary Higgins: No.

Deputy Josepha Madigan: Is there no correlation at all?

Deputy Josepha Madigan: What was the reason for the abrupt withdrawal of services? I will talk more about the figures in a moment. It seems to me that a lot of money was spent

very quickly on a small number of claims and it was not anticipated that there would be further claims down the line. Ms Higgins accepted that. I know the Comptroller and Auditor General referred to the control over grant payments and the inefficiencies but I want to hear what Ms Higgins has to say about it.

Ms Mary Higgins: There was not an abrupt cutting off. There was a review that took place over a number of months in 2015.

Deputy Josepha Madigan: The files were closed, according to some claimants and they were told they could no longer avail of the services, just like that.

Ms Mary Higgins: I do not know if that was said to people.

Deputy Josepha Madigan: Ms Higgins does not know.

Ms Mary Higgins: I know that what we did was-----

Deputy Josepha Madigan: Does Ms Higgins think they fabricated that or that it happened?

Ms Mary Higgins: No, I am saying I do not know.

Deputy Josepha Madigan: Is there anyone with Ms Higgins who would know?

Ms Mary Higgins: I am going to explain. What we did was we reviewed our criteria in 2015. In reviewing the criteria we took account of what applicants had said to us about the way that we operated and the services that we provided.

Deputy Josepha Madigan: So Caranua withheld some of the services that were originally provided? Back in 2014 it was advertised that there was no limit. The guidelines, which were published in May 2014 state that there is no limit on the number of services one can apply for. Claimants made claims and abruptly in 2015 they were told that the services could not be provided. I want an explanation for them. I am just a member of Committee of Public Accounts. This is not personal to Ms Higgins. I ask on behalf of those people.

Ms Mary Higgins: We communicate directly with people to explain this.

Deputy Josepha Madigan: Ms Higgins said she did not know whether they were communicated with.

Ms Mary Higgins: No, I am saying that we do not just say to people: "That is it. You are gone. Goodbye." We have a different way of dealing with people, and if people have that experience it needs to be brought to my attention because it means something is going very badly wrong.

Deputy Josepha Madigan: As far as Ms Higgins is aware, were there no complaints made to Caranua in relation to the services being cut off or withdrawn?

Ms Mary Higgins: Services have neither been cut off nor withdrawn.

Deputy Josepha Madigan: People cannot avail of them.

Ms Mary Higgins: No. Nothing has changed in terms of the range of services that we offer. In fact, we have increased the range of services we offer under the new 2016 system.

Deputy Josepha Madigan: That is not my understanding.

Ms Mary Higgins: What we have done is introduced different things. We have introduced household goods. A complaint that was made to us by people, in particular those who were living in private rented or socially rented housing, is that home improvements were not a lot of use to them but that they would like furniture or to replace their kitchen or to do those kind of things.

Deputy Josepha Madigan: I will move on because I am conscious of the time. I apologise if I am being abrupt to Ms Higgins now.

I would like her to please look at the expenses, travel and accommodation costs for staff and the board from 1 January 2014 to 21 November 2016. When I looked at this initially for 2014 to 2016, staff expenses, staff accommodation and staff travel looks as if it has gone down but not if one reads it downwards. Staff accommodation and travel expenses for 2014 and 2015 amounted to €14,834.51 and €14,788.57, respectively. Post-review, in 2016, accommodation and travel expenses amounted to €11,978.04. That does not suggest to me there has been any radical change. In regard to the board, travel and accommodation expenses in 2014 and 2015 amounted to €11,744.03 and €27,170.19, respectively. In 2016 the figure was €10,688.73 which is comparable to the 2014 figure. I will comment later on the services provided by Caranua. In terms of expenses, I do not believe there was any radical change between 2014 and 2016.

Ms Mary Higgins: I am sorry, but I am not sure I understand the Deputy's question on travel expenses and the changes that should have occurred.

Deputy Josepha Madigan: The point I am making is that, bearing in mind the level of media coverage, the complaints made and the Comptroller and Auditor General's 2015 report, it does not appear that any of this was taken into account in 2016, given the level of staff travel and accommodation expenses.

Ms Mary Higgins: Is the Deputy saying the expenditure should have decreased?

Deputy Josepha Madigan: Yes. Prior to 2013, expenditure on salaries and wages was €188,000. Ms Higgins referred to people being at the heart and centre of the service. In 2014 expenditure on salaries and wages amounted to €791,000. For that amount, Caranua managed 33,751 calls, of which it only responded to 15,348, less than half the number of calls received. In 2015 expenditure on salaries and wages increased to €1.32 million and the service managed 67,604 calls, but, again, it only responded to half of those calls. Despite a massive increase in expenditure on salaries and wages, the service still could not manage all of the calls received. The figures to which I am referring were provided by Ms Higgins. In 2016 expenditure on salaries and wages increased again to €1.492 million and the service managed 44,582 calls, of which it only responded to 19,776.

Ms Higgins referred in her opening statement to 20 to 30 calls per claimant. Despite increased expenditure by Caranua on salaries and wages - I am not saying the 24 staff are not entitled to salary increases - the service is only managing to respond to fewer than one third of the calls it receives.

Ms Mary Higgins: I do not know from where that information is coming.

Deputy Josepha Madigan: It is included in the information provided for the committee.

The information provided tracks incoming post only. In other words, there is no tracking of outgoing post. Despite Ms Higgins' comment on claimants being at the centre of the service,

that does not appear to be the case.

Chairman: As a vote has been called in the Dáil and there are likely to be a number of other votes called, we will suspend the sitting until 2.30 p.m.

Sitting suspended at 1.15 p.m. and resumed at 3 p.m.

Chairman: Apologies for the lengthy suspension but the timing of the voting in the Dáil was outside of our control. In regard to the questions posed prior to the suspension by Deputy Madigan, the Deputy cannot, unfortunately, be here this afternoon but I will allow the witnesses an opportunity later to put any responses they may have in that regard on the record.

Deputy Catherine Connolly: Has each of the witnesses read the Ryan report?

Ms Mary Higgins: I have not read it from beginning to end as it is a very lengthy report but I am familiar with it.

Deputy Catherine Connolly: It is worth reading. It is the background to what we are discussing now, as it is to the redress board, which we discussed this morning. This is important for survivors because sometimes a blaming attitude comes across from institutions generally. During our earlier session, I read into the record some of the conclusions of that report, including that the deferential and submissive attitude of the Department of Education and Skills towards the congregations compromised its ability to carry out its statutory duty and so on. I do not believe that applies only to the Department of Education and Skills.

In regard to the congregations, one of the many recommendations is that they examine how their ideals became debased by systemic abuse, how they came to tolerate breaches of their own rules, and when sexual and physical abuse was discovered, how they responded to it and those who perpetrated it. It is important to reiterate that the congregations were specifically asked to examine their attitude to neglect and emotional abuse and, more generally, how the interests of the institutions and the congregations came to be placed ahead of those of the children who were in their care. Leaving aside the specifics of that recommendation, there is always a danger that an institution will become more important, particularly so in the case of Caranua. It is a big challenge to ensure the institution does not become more important than what it was set up to do. Ms Higgins would acknowledge that. It has only been functioning for three years. Is that right?

Ms Mary Higgins: It began at the end of March 2013. It is not quite four years but it is nearer to four than to three.

Deputy Catherine Connolly: Let me just put my questions and if I am wrong on anything, Ms Higgins can correct me. It was set up in March 2013. It did not start receiving applications until January 2014. Is that right?

Ms Mary Higgins: That is right.

Deputy Catherine Connolly: When it was set up in January 2014, what did Ms Higgins do other than advertise? Obviously Ms Higgins had time in addition to advertising and making these schemes known to work out the processes, policies and mission statement.

Chairman: May I interrupt the Deputy for one second?

Deputy Catherine Connolly: Yes.

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Chairman: I have to go out for ten minutes to another meeting. Will Deputy Connolly propose that Deputy Cullinane takes the chair in my absence?

Deputy Catherine Connolly: Yes. I propose that Deputy Cullinane takes the Chair.

Deputy David Cullinane took the Chair.

Deputy Catherine Connolly: Ms Higgins had nine months to sort out all of the procedures and policies.

Ms Mary Higgins: The question is did we do that in the nine months we had.

Deputy Catherine Connolly: Yes.

Ms Mary Higgins: No, we did not. When I was appointed on 10 April 2013, I was on my own.

Deputy Catherine Connolly: Was Ms Higgins on her own completely?

Ms Mary Higgins: Yes. I inherited staff from the Education Finance-----

Deputy Catherine Connolly: But Ms Higgins was not on her own.

Ms Mary Higgins: I inherited staff from the-----

Deputy Catherine Connolly: How many staff did Ms Higgins inherit?

Ms Mary Higgins: I inherited three staff from the Education Finance Board. One left in June, another left in July and one remained with us until last year. Setting up an organisation is not that easy. There is work that needs to be done. It takes time to establish policies, procedures and all of those things. Most of the time spent during 2013 was on staff recruitment and consulting and designing the application procedures and the scope of what it is we would be doing. Then we began very early in January 2014.

Deputy Catherine Connolly: Very good. So Ms Higgins had a considerable period within which to look forward, anticipate challenges and problems and work them out. There were no applicants, as it were, bothering Ms Higgins during that time. I will put it slightly more positively. There were no applicants coming in taking Ms Higgins's time during that time.

Ms Mary Higgins: No, there were not applicants coming in taking our time.

Deputy Catherine Connolly: Ms Higgins had ample time to foresee and plan.

Ms Mary Higgins: We did spend the time planning.

Deputy Catherine Connolly: Good. Then in January 2014 we start receiving applications. Anybody can answer my questions. I am not addressing them to a particular witness. There is a board. Mr. O'Callaghan is chair of that board.

Mr. David O'Callaghan: Yes.

Deputy Catherine Connolly: He should feel free to answer these questions. From January 2014 onwards, for the following three months, the organisation is simply overwhelmed. Is that accurate? How many thousand applications came in? I think it was 2,500 in three months. The witnesses should correct me if I am wrong.

Ms Mary Higgins: Yes, it was round about that. There were 1,200 applications in the first month and then 800. I think there were 2,600 in the first quarter.

Deputy Catherine Connolly: So the organisation was overwhelmed. Is that right?

Ms Mary Higgins: Yes. The context was that we were not ready because we had five staff and an extra three that came in in December 2013 in order to try to be ready. When the applications came in it was overwhelming.

Deputy Catherine Connolly: Absolutely. I have to ask these questions. There were nine months in which to anticipate this. The commission had reported. Ms Higgins knew exactly how many applications were going to come before the organisation. I forgot Mr. Yeomans's role.

Mr. David Yeomans: I have been director of finance and corporate affairs since July 2016.

Deputy Catherine Connolly: Where did Ms Higgins go with her difficulties when she had so few staff?

Ms Mary Higgins: I do not understand.

Deputy Catherine Connolly: Where did Ms Higgins go? This is a major problem. The organisation is overwhelmed. What happened? Did Ms Higgins report to the board and tell it?

Ms Mary Higgins: Yes, of course we reported to the board.

Mr. David O'Callaghan: Perhaps I could come in here. I became chairman at the beginning of 2014. The previous chairman resigned on health grounds. What I found was an organisation that was overwhelmed by the number of applications. I found an organisation that was understaffed and that did not have proper processes in place. It took time to get those right. The board put them down as a priority. To give the committee an idea of how understaffed the organisation was, in 2015 we got in Mazars, which is an organisational consultant, and it said we should have 24 staff to deal with the volume of work we had. The Deputy can imagine how difficult it was to work with four or five.

Deputy Catherine Connolly: When did Mazars come in?

Mr. David O'Callaghan: It came in in-----

Ms Mary Higgins: The recruitment was carried out in the middle of 2016.

Deputy Catherine Connolly: The recruitment for Mazars-----

Ms Mary Higgins: For the full staff team.

Deputy Catherine Connolly: No. I asked when Mazars came in.

Ms Mary Higgins: The end of 2014.

Deputy Catherine Connolly: Mr. O'Callaghan was in the middle of telling me about Mazars and I interrupted him to ask him when Mazars came in.

Mr. David O'Callaghan: We made two attempts to address the staffing issue with the help of the Department of Education and Skills, which was very much appreciated. We got in temporary consultants from a recruitment firm for a short time.

Deputy Catherine Connolly: Who were they?

Mr. David O'Callaghan: CPL.

Ms Mary Higgins: We got agency staff through CPL Healthcare.

Mr. David O'Callaghan: That was to help us with the backlog. We realised earlier on that we were just not giving the service we should to the survivors.

Deputy Catherine Connolly: That is acknowledged in the report.

Mr. David O'Callaghan: Yes, there is no question about it.

Deputy Catherine Connolly: Caranua has acknowledged it.

Mr. David O'Callaghan: We have to put our hands up and admit it. There is no question about it. We were giving an appalling service. We had to do something about it. We first tried agency staff to deal with the backlog.

Deputy Catherine Connolly: When Mr. O'Callaghan says agency staff, is that to get employees in to answer the phones?

Mr. David O'Callaghan: It was to answer the phones and talk to survivors to assess their needs and advise and help them to make their applications.

Deputy Catherine Connolly: Okay.

Mr. David O'Callaghan: While we did make some progress, it was not sufficient so the board decided we would get in people who were experts in setting up organisations. That was Mazars, which came in in late-2015. It reported-----

Deputy Catherine Connolly: When did Mazars come in?

Mr. David O'Callaghan: It was in 2015. It reported and recommended a complement of staff that could address the type of work we were doing. We got the sanction from the Education and Skills and the Department of Public Expenditure and Reform to hire those staff and we now have those staff hired.

Deputy Catherine Connolly: Caranua has a full complement of staff now.

Mr. David O'Callaghan: Yes, we have a full complement of staff.

Deputy Catherine Connolly: Mr. O'Callaghan can see the difficulty from my point of view.

Mr. David O'Callaghan: Yes. We were not prepared for this. There is no question about it.

Deputy Catherine Connolly: Can somebody from the Department of Education and Skills explain how this was allowed to happen? Nine months after the organisation was set up it was completely overwhelmed as soon as it opened for applications.

Mr. Seán Ó Foghlú: We were working with the board and the chief executive. There was a strong desire that the board would put in place arrangements to begin to receive applications-----

Deputy Catherine Connolly: My question was that there were nine months so how did the

Department or any other Department that was relevant allow this to happen? There were staff in place, albeit not enough, and it goes on until January. I will not waste my time repeating it. How was this allowed to happen?

Mr. Seán Ó Foghlú: There was a statutory body established, which was in a position to undertake the work. We engaged with the chairperson of the board and the senior executives.

Deputy Catherine Connolly: When did the board come into place?

Ms Mary Higgins: March 2013.

Deputy Catherine Connolly: Mr. O'Callaghan was not there from March 2013. Who was chairman before him?

Mr. David O'Callaghan: Ms Sylva Langford.

Deputy Catherine Connolly: She was there before Mr. O'Callaghan as chair.

Mr. David O'Callaghan: Yes, before me.

Deputy Catherine Connolly: Mr. O'Callaghan came in in January 2014.

Mr. David O'Callaghan: I came in in April 2014.

Deputy Catherine Connolly: April.

Mr. Seán Ó Foghlú: We worked with the board and the agency to support it as best we could in recruiting staff and responding to its needs. We and the board had a strong desire to begin to receive applications because with the establishment of the board it was important that it was able to begin to receive applications. The board indicated, following engagement with the Department, that it was in a position to begin to receive applications from early January 2014 and it proceeded on that basis. We knew it would be a challenge to do that but we felt Caranua was in a position to commence doing that and beginning to provide a service to the members.

Deputy Catherine Connolly: But it was not.

Mr. Seán Ó Foghlú: It was not ready.

Deputy Catherine Connolly: Mr. O'Callaghan has said it was an appalling service.

Mr. David O'Callaghan: Yes, it totally underestimated the type and quality of the service that Caranua has to provide. I have over 52 years experience in the public service, 29 of them were in the Revenue Commissioners and I have never come across a service provision quite like this.

Deputy Catherine Connolly: In what way?

Mr. David O'Callaghan: In that this is not the same as an applicant filling in a form for a pension or passport or tax-free allowance. This is about dealing holistically with all the requirements of an applicant, a survivor. It is not just a form which is filled in; an assessor rings them, contacts them, and looks at all their needs and takes them through the whole process in a very sympathetic manner to find out what they need across the broad spectrum of services, whether it is housing, health or education. I do not want to overstate it but it is a very complex operation.

Deputy Catherine Connolly: It is not complex at all. I appreciate what Mr. O'Callaghan

says and have read about it. I realise that he is talking about a whole-life approach and I take that on board. However, it is not complex. There is €110 million to be administered to a finite number of people - it is the case we know it is finite?

Mr. David O'Callaghan: Yes.

Deputy Catherine Connolly: And we know it is even less than the finite figure that is coming from the redress board because of death and age and people not bothering and people worn down by the system.

Mr. David O'Callaghan: Yes we realise that.

Deputy Catherine Connolly: All that money was available before the applications opened and Caranua knew exactly what to expect. The maximum was what the redress board had told Caranua, but Mr. O'Callaghan knew from experience that was not going to happen, is that correct? All right. In the space of time Caranua has been there, which is three years, from March 2014, how many outside companies, apart from Mazars, have been brought in for auditing, control, and financial control?

Mr. David O'Callaghan: I think we had three. We had people in to do our internal audit, Capita.

Deputy Catherine Connolly: Capita and Mazars were the two I came across, how many others?

Ms Mary Higgins: Our accountancy services are also outsourced.

Deputy Catherine Connolly: And there were external reviews. List them.

Mr. David O'Callaghan: We had a firm to help us with our strategic plan.

Deputy Catherine Connolly: Could Mr. O'Callaghan list them? In the short period of time this organisation has existed, is it correct that there was a year and a half with no financial controller?

Mr. David O'Callaghan: That is right.

Deputy Catherine Connolly: There was no financial controller for the whole of 2015 into July 2016, despite the Comptroller and Auditor General raising issues about internal controls. In fact, he gave Caranua the thumbs up on its accounts but said there were problems with internal processes.

Mr. David O'Callaghan: We are addressing all of those and we are in much better shape.

Deputy Catherine Connolly: Caranua may well be in much better shape, but I am about to come to the survivors or the applicants who have dealt with it who might not be in much better shape as a result of the process. I am glad to hear that Caranua might be in better shape. I want a list of the reports commissioned to ensure that Caranua's processes were in order.

Ms Mary Higgins: I can do that. There is a report from our accountants in 2014 on our payments process and another one on our internal controls process.

Deputy Catherine Connolly: There were outside accountants for that.

Ms Mary Higgins: That function is outsourced, yes. They did those two reports.

Deputy Catherine Connolly: What are they called?

Ms Mary Higgins: Crowleys DFK.

Deputy Catherine Connolly: What were they looking at?

Ms Mary Higgins: At the payments process and the internal financial controls.

Deputy Catherine Connolly: What did that cost?

Ms Mary Higgins: We will find that figure. The next report was Mazars.

Deputy Catherine Connolly: What did that cost?

Ms Mary Higgins: We will get the amount in a moment.

Deputy Catherine Connolly: Ms Higgins has heard my question. I have heard of Capita and Mazars and these accountants. Who else is there? List them and how much it has cost so far to ensure proper controls are in place. There is also the Comptroller and Auditor General's office. I will park that for the moment.

I reluctantly return to Ms Higgins' public remarks and my colleague raised them this morning. Does Ms Higgins think it is appropriate to give interviews of that nature and make those comments on "Liveline" and in *The Irish Times*? Would Ms Higgins like to apologise and withdraw them and move on or does she stick by them?

Ms Mary Higgins: I already addressed that earlier. I said the way in which it was presented was regrettable and I understand that it may have caused offence. If it did I am very sorry. What I said was not quoted exactly.

Deputy Catherine Connolly: Let me quote them exactly. I want to get on to the issues. I am not a personality person and I stay with issues but Ms Higgins went on "Liveline". I do not want to insult the applicants by repeating the language that was used, that "these people are damaged, the hole in them cannot be filled by what we do, unfortunately". Did Ms Higgins use that language? Did she say that?

Ms Mary Higgins: I did not listen to "Liveline" while I was on it.

Deputy Catherine Connolly: Did Ms Higgins take part in "Liveline"?

Ms Mary Higgins: I did take part in "Liveline". I did not hear it. I do not know for certain that I said that, but it is the reality that the damage that was done to people placed in institutions when they were children is profound and lifelong. Part of the damage causes people to not expect other people to want to do something good. I can understand that. We are the face of the State, the State that did this to people. It is understandable that they would be angry with us.

Deputy Catherine Connolly: I want to use my time for the other issues. I am asking Ms Higgins if she withdraws those comments.

Ms Mary Higgins: Yes, I withdraw them.

Deputy Catherine Connolly: Unreservedly?

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Ms Mary Higgins: I unreservedly withdraw them.

Deputy Catherine Connolly: Thank you. They should not have been made.

Let us move on to what happens when Caranua writes to applicants to tell them their case is closed. Has that happened?

Ms Mary Higgins: Yes, because we complete applications when someone has gone through the process of the needs assessment and identification and agreement has been reached as to what services will be paid for by Caranua. Then the case is completed. We have a finite number of advisers and it is not possible to keep all applications open all the time.

Deputy Catherine Connolly: Mr. O'Callaghan is on the board. When did he sign off on this policy that applicants would be written to and told their case was completed?

Mr. David O'Callaghan: I do not think that we signed off on that as a policy.

Deputy Catherine Connolly: I am asking Mr. O'Callaghan as chair of the board, about the board.

Mr. David O'Callaghan: We took this as a normal operational matter, the matter of writing to people to say their cases were closed was not a decision of the board.

Deputy Catherine Connolly: This board has been set up under statute, and it has a duty. Policy and procedures are set by the board.

Mr. David O'Callaghan: Yes.

Chairman: The time is up.

Deputy Catherine Connolly: I would like to finish on the board. Mr. O'Callaghan is the CEO and he has a job to do. He is paid for that job. The board has a separate job. When did it meet and discuss this and change policy that applicants would be written to informing them their case had closed?

Mr. David O'Callaghan: I do not have a date for it, but as far as I can recall, new applicants were not being dealt with. Existing applicants who had received cheques and had been satisfied in some of their requirements were reapplying and remained top of the queue. The decision we made was to prioritise the new applicants who had not got any attention or any services to date.

Deputy Catherine Connolly: I understand that and the board is entitled to look at prioritising.

Mr. David O'Callaghan: We did not make any decision to write out to people, or a certain cadre, to say that their cases were closed.

Deputy Catherine Connolly: The board is entitled to make policy and do what it did and we are entitled to see how it arrived at that decision.

Mr. David O'Callaghan: There is no question about that.

Deputy Catherine Connolly: There was no decision at board level about instructing the executive to write to people to tell them their cases were completed.

Mr. David O'Callaghan: No, not as such but if operationally, a case is completed -----

Deputy Sean Fleming resumed the Chair.

Deputy Catherine Connolly: This is a scheme that was set up to apply on a needs basis. Therefore, an applicant comes forward on that basis. I understand Caranua was applying the policy on that basis and that, therefore, an applicant might have come back again on that basis and been assessed accordingly. I am asking a very simple question. When did that policy change?

Mr. David O’Callaghan: There is no question that people who receive services cannot reapply for others.

Deputy Catherine Connolly: I asked when the policy was changed because a substantial number of letters were sent to applicants to state their cases had been closed, or they were told on the telephone that they had one bite at the cherry, or words to that effect. I see a head nodding. I am going to come back to Ms Higgins about how many letters went sent. Mr. O’Callaghan is clearly telling me that no policy decision was made at board level. There was no decision to write-----

Mr. David O’Callaghan: No, not to my knowledge.

Chairman: I call Deputy David Cullinane.

Deputy David Cullinane: As I am due to speak in the Dáil at some point, I wonder whether I could let some of my colleagues go first and then come in.

Chairman: The Deputy will only be away for 20 or 30 minutes. We will be here at least that long.

Deputy David Cullinane: I thank the Chairman.

Chairman: The Deputy will get his chance to speak when he comes back.

Deputy Bobby Aylward: I asked these questions of the wrong group earlier. I attached them for Caranua.

On the recently introduced funeral expenses, is it true that expenses are paid in advance to undertakers?

Ms Mary Higgins: Yes. That was an additional service we introduced as part of the 1 June changes to our criteria. It was introduced because many survivors had said they really wanted it because the fear they would have a pauper’s funeral was very significant. The board considered the issue. We sought legal advice on whether we could, under the terms of the legislation, introduce funeral expenses. Caranua, obviously, is not a permanent institution. It is temporary, but we wanted to make provision for the future for people who were not at the point of passing away. The agreement was that we would prepay funeral costs to funeral directors.

Deputy Bobby Aylward: Does that mean that the survivor, or any individual, is not party to the contract? He or she has nothing to do with it because Caranua is paying. The survivor has no say in the matter and cannot enforce the contract. Caranua has limited life expectancy and will close in a couple of years. How will the relatives of the survivor obtain the benefits of the service in years to come? How has it been set up? The funeral has been paid for with an undertaker of someone who is expected to die in ten, 20 or five years’ time.

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Ms Mary Higgins: Yes. It is not without survivor involvement.

Deputy Bobby Aylward: It seems to be a bizarre arrangement.

Ms Mary Higgins: The applicant is involved in the process and selects the funeral director. Applicants come to us with a proposal.

Deputy Bobby Aylward: Could family members look after it rather than going to the undertaker?

Ms Mary Higgins: It was expressed to us that they did not want to leave behind a debt for their families or be a burden. There is a fund to help to meet their needs. They identified the issue of funeral costs and we responded.

Deputy Bobby Aylward: Is it true that some survivors are approaching undertakers and looking for some of the money? That is a bad system.

Ms Mary Higgins: Yes, I accept that. We built the system on trust and will now have to look at how we put a more watertight contract in place between us, funeral directors and applicants.

Deputy Bobby Aylward: As a layperson, the arrangements seem to be very strange.

Ms Mary Higgins: If somebody is making arrangements for his or her funeral in the future, he or she will pay into an insurance or other kind of fund. It is that kind of idea, except that we are paying all of the money at once.

Deputy Bobby Aylward: How are funeral expenses in five years' time known? Does the undertaker sign up to a contract?

Ms Mary Higgins: That is what we are putting in place.

Deputy Bobby Aylward: I want to ask about people who cannot read or write. I am told that there are some survivors who are not able to read or write and that they were looking for others to work as a third party on their behalf. Because of this, their cases have not been processed. Is that true? Does Caranua allow a third party-----

Ms Mary Higgins: Absolutely. It would not be a barrier in somebody making an application to us because we do not require that somebody to fill in a form. We have forms and it is up to the person concerned to decide if he or she wants to do it by himself or herself, to get somebody to help or not to do it at all. We can help people over the telephone or by some other means.

Deputy Bobby Aylward: Will Caranua accept a third party to represent or work on a person's behalf?

Ms Mary Higgins: Absolutely.

Deputy Bobby Aylward: I did not think it did. I am told about a survivor who wants to have a hip replacement but was terrified of going into hospital. The lady needs this essential surgery but is afraid. Is there any outreach service to advise and help her along? I am told she is afraid to go into hospital to have a hip replacement.

Ms Mary Higgins: Has she been in touch with us?

Deputy Bobby Aylward: I cannot tell Ms Higgins that. I am told that she is waiting for an operation but is afraid to go in for it. Does Caranua have a service to advise her?

Ms Mary Higgins: We can advise her. I encourage her to make contact with us.

Deputy Bobby Aylward: Ms Higgins said Caranua would be finishing up in 2018 or 2019. What will happen after that with the funding available? How will it be allocated to survivors? What will happen after 2019, being a fixed date?

Ms Mary Higgins: Our fund is limited. It is €110 million. Our expectation is that there will not be any left by then. The Deputy may not have been here this morning when I read my opening statement-----

Deputy Bobby Aylward: I was.

Ms Mary Higgins: Our plan is to try to ensure other services will be able to engage with survivors in order that care will continue.

Deputy Bobby Aylward: Therefore, it will be continued by some other agency.

Ms Mary Higgins: In a different format. It is about services rather than giving out money to survivors.

Deputy Bobby Aylward: Does Ms Higgins think all of the money will be used by that time?

Ms Mary Higgins: That is our expectation. We will be engaging in another exercise shortly to look at targets and projections.

Deputy Bobby Aylward: Is it true that the CEO of Caranua gave money back to the Catholic Church for counselling services for which it had already paid? Can Ms Higgins explain that?

Ms Mary Higgins: I can. I think it is-----

Deputy Bobby Aylward: What kind of money is involved?

Ms Mary Higgins: The position is not that we have been giving money back to the Catholic Church but that we will pay for counselling if that is what people are looking for. There are a number of counselling services in place. Towards Healing is one of the counselling services funded by the Catholic Church. It has a limit on the number of counselling sessions survivors are able to have and we will pay if there is a need for additional sessions. We also pay for other counselling services.

Deputy Bobby Aylward: Is that all Ms Higgins means by “paying the Catholic Church”?

Ms Mary Higgins: I am guessing that is what is meant.

Deputy Bobby Aylward: On expenses, representatives of Caranua held meetings in Cork, Galway, London, Manchester and Birmingham. They involved big expenses. The figure mentioned here is €20,000. Is that normal and reasonable, or excessive?

Ms Mary Higgins: That would not be the cost per session but the cost over a period of time which might be one year. Mr. Yeomans will have the exact figures. We are in a situation where we know that there are about 15,000 people who are eligible to apply to us. We even know their

names and addresses, but we cannot use that information for any purpose other than verifying that they are eligible to apply to us. We cannot contact them directly or write to them. As we cannot make any contact with them, we are very dependent on trying to raise awareness. We are also conscious - this is the feedback we have received from survivors - that they want to see people. They do not want to deal with them on the telephone. Our outreach clinics and events are one way we do this. We organise the events and publicise them through survivor support groups and in other ways. Advisers are present and they can be in a private room and see people individually. It also gives survivors an opportunity to meet other members of staff and, on occasion, members of the board.

Deputy Bobby Aylward: Do Caranua representatives travel to London, Manchester and Birmingham on a regular basis to meet people?

Ms Mary Higgins: We are reviewing the position and what we are looking at is working in a smaller way in local areas where we suspect there are survivors and applicants.

Deputy Bobby Aylward: I am sure there are big costs involved.

Ms Mary Higgins: There are costs involved.

Deputy Bobby Aylward: I am sure there would be costs involved in flying and staying overnight.

Ms Mary Higgins: There are costs involved, but it costs money to provide a service.

Deputy Bobby Aylward: With regard to eligibility and the draft terms of reference, the Minister is reviewing them. As it is a review, certain things could be examined. Will the potential to make a one-off payment to remaining survivors be considered?

Ms Mary Higgins: The review is being undertaken by the Department of Education and Skills. It is a review of the eligibility criteria in applying to us. It might be better to-----

Deputy Bobby Aylward: Is Caranua open to suggestions?

Ms Mary Higgins: I think the Department is in the process of seeking suggestions on the terms of reference to be considered in the review. Even though I understand the date has closed, I am sure it would be possible for somebody to submit a late proposal.

Deputy Bobby Aylward: All of the proposals I have to make could be examined. They have probably been made already, but I do not know.

Ms Mary Higgins: Quite possibly.

Deputy Bobby Aylward: Caranua would look at and take them on board.

Ms Mary Higgins: Of course.

Deputy Bobby Aylward: Caranua is still subject to the Comptroller and Auditor General's report every year.

Ms Mary Higgins: Yes.

Deputy Bobby Aylward: Therefore, the money would have to be spent every year.

Ms Mary Higgins: Yes.

Deputy Bobby Aylward: I thank Ms Higgins.

Deputy Marc MacSharry: I am sorry I was not present for the opening statement. Matters moved quicker than anticipated this morning. I thank the witnesses for attending.

The opening statement mentioned the importance of protecting the confidentiality of survivors. The board meeting of 23 March 2017 confirmed the view that Caranua had the authority, in cases where applicants had not provided receipts, to go directly to the supplier without the permission of the applicant. What impact has this had on the survivors? Does it threaten their confidentiality? Is there not a breach in that regard?

Ms Mary Higgins: It is a decision that was only taken recently. Two of the key issues the Comptroller and Auditor General raised with us were about quotations and receipts.

Deputy Marc MacSharry: Yes.

Ms Mary Higgins: In terms of financial controls, not having both is not very good. We have been prevented from following up on receipts because of the way the legislation is drafted and the fact that under section 23 we cannot betray a connection between an applicant and us. It has never been possible for us to go to suppliers to get receipts. We are in a situation where the return of receipts is quite low relative to the number of payments made. That has been pointed out by the Comptroller and Auditor General and is something on which we must take action. We cannot ignore it. One of the ways we can do it is by going directly to the supplier where receipts have not been returned. We would not do this in every case and would not do it without telling people that we would be doing it.

Deputy Marc MacSharry: Has it been done so far in any case?

Ms Mary Higgins: No.

Deputy Marc MacSharry: What impact does Ms Higgins think it will have on the survivors?

Ms Mary Higgins: I imagine that some people will be quite pleased because they will not have to go to the bother of getting receipts and sending them to us. However, we have not started it yet and will have to do something about it. As I said, the tension between delivering care and being compliant with good financial controls is ever present.

Deputy Marc MacSharry: Is the balance wrong?

Ms Mary Higgins: It has been difficult for us for many reasons. I believe the way forward is for us to have contracts directly with suppliers. That would cut out the need for applicants to be involved in the obtaining of receipts and quotes. That is the direction we are taking.

Deputy Marc MacSharry: Notwithstanding that Caranua is doing its best and the Comptroller and Auditor General is doing his best under the rules that govern him, is it fair to say the system, as it stands, is inadequate for Caranua to do its work?

Ms Mary Higgins: Our system.

Deputy Marc MacSharry: No, the system. The Comptroller and Auditor General has a job to do which involves receipts, auditing and so forth. Given the delicate job Caranua has, is the system inadequate in providing care for the survivors?

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Ms Mary Higgins: Yes. In the general system one is looking at people who were very poor as children-----

Deputy Marc MacSharry: I know all of that. However, the answer is yes.

Ms Mary Higgins: I think it could be improved.

Deputy Marc MacSharry: That is fine. I will move on. I presume the impact of auditing might add stress.

Ms Mary Higgins: Yes, but that is the world in which we live. The challenge is to try to balance those two things.

Deputy Marc MacSharry: I know that is how the world is. However, the system is inadequate for Caranua to do its job, notwithstanding that the Comptroller and Auditor General has done an excellent job under the rules that govern him.

Ms Mary Higgins: Let us say it is challenging.

Deputy Marc MacSharry: Okay, but that is a nice way of saying it is inadequate.

With regard to the €15,000 limit and bearing in mind that some of the matters included in the Act are extensions, home improvements, upgrades and the like, in a layman's view, €15,000 will not cover much work. Realistically, is that limit prohibitively low in terms of the vision and ambition of the types of service that should be available under the Act?

Ms Mary Higgins: The limit was only introduced with effect from 1 June 2016. To date, the response from the majority of applicants has been very supportive of that approach. However, we said we would review the matter in 12 months and it is something we will be examining.

Deputy Marc MacSharry: What does that mean?

Ms Mary Higgins: It means that we do not know. We made the changes partly because-----

Deputy Marc MacSharry: How did Caranua come up with the figure of €15,000?

Ms Mary Higgins: I was just about to say that. Obviously, we have a fund that is limited. We have a number of people and do not know exactly how many of them are likely to apply. We were looking at a situation where a small number of applicants had received a large amount of the fund and said that if we were to continue spending money in that way, it would be spent very quickly and that, perhaps, we might not reach all of the people who could potentially apply to us. Under the legislation, we are required to deliver our services in a way that is fair and equitable. To address this, we looked at the sums and decided on a figure of €15,000. In fact, the average value of payments to date is €13,000.

Deputy Marc MacSharry: Was it a case of drawing heads together at the board and deciding to divide the number of likely applicants-----

Ms Mary Higgins: Not quite. It was slightly more sophisticated than that, but, in essence, it was about looking at the fund and what was left.

Deputy Marc MacSharry: Was actuarial expertise used in the determination?

Ms Mary Higgins: No. Financial expertise was used.

Deputy Marc MacSharry: Was it financial expertise in terms of actuarial or certified accountants?

Ms Mary Higgins: Accountants.

Deputy Marc MacSharry: Effectively, an accountant made a pitch.

Ms Mary Higgins: Yes.

Deputy Marc MacSharry: What analysis was used in terms of the survivors? Were there accountants for them?

Ms Mary Higgins: No. There are four survivors on the board and obviously they were involved.

Deputy Marc MacSharry: Okay, but there were no financial people specifically to indicate the types of things that could arise. Unless one is talking about very limited works to a new home, €15,000 will not cut it.

Ms Mary Higgins: Many of the people who were coming to us were saying, “We rent our house, so we are not going to benefit from the home improvements.”

Deputy Marc MacSharry: Realistically, the schedule of services prescribed under the Act is not available because €15,000 is too low----

Ms Mary Higgins: No, I do not accept that. That is not true at all. They have only been going for the last seven or eight months and we need to give them another while. We will then review it and if that is what the review tells us, we will have to think about it again.

Deputy Marc MacSharry: What proportion of decision-making is weighted towards the budget rather than care?

Ms Mary Higgins: I will say this again because it is really important. Survivors are at the heart of what we do.

Deputy Marc MacSharry: However, Caranua does not have the money to do what it wants to do.

Ms Mary Higgins: Yes, but we have to see ourselves in the context of the overall range of services available for survivors. We are in place and time limited. There are public services available. There are possibly other services that could be made available to them also. Part of our role in dealing with individual survivors is ensuring they are getting what they should get. If somebody is looking for home improvements, for example, we will not just say, “Yes, there you are.” We look at who else should be providing for them. We look at what the local authority or somebody else is doing also and will continue to do so.

Deputy Marc MacSharry: Will Ms Higgins explain the new system of prioritisation?

Ms Mary Higgins: We have two criteria in prioritising applicants.

Deputy Marc MacSharry: What are they?

Ms Mary Higgins: One is that the person be aged over 70 years and the other is having an urgent health need.

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Deputy Marc MacSharry: On what basis does Caranua consider prioritisation of new applicants, considering the purpose of a needs-based scheme?

Ms Mary Higgins: New applicants are people who have not received anything from us at all. What we call “repeat applicants” are people who have made applications, gone through the process, received payments and whose applications have been completed. As the Chairman described, we were constantly dealing with repeat applicants who were returning for more, which meant that new applicants were not getting a look in. The decision was made - I believe it was in July 2015 - to prioritise new applicants over repeat ones.

Deputy Catherine Connolly: When was that?

Chairman: July 2015.

Deputy Marc MacSharry: How many applicants were left outstanding by that?

Ms Mary Higgins: Outstanding?

Deputy Marc MacSharry: Ms Higgins stated that there were repeat applicants. Since they were not new, they fell down the-----

Ms Mary Higgins: None of them fell down. Whatever application is received, be it new or repeat,-----

Deputy Marc MacSharry: They all get done.

Ms Mary Higgins: -----it is triaged. If a repeat applicant has an urgent need, he or she will be given attention the same as a new applicant. However, where there is no urgent need, repeat applicants are queued behind the new applicants.

Deputy Marc MacSharry: How many have been affected by that?

Ms Mary Higgins: Altogether, we had approximately 900, but they are not waiting. We have dealt with a number of those. The current backlog of repeat applicants is approximately 300.

Deputy Marc MacSharry: What efforts did Caranua make to consult survivors, notwithstanding the four on the board who have a say, before the implementation of the prioritisation policy or the introduction of the financial limits?

Ms Mary Higgins: We consult survivors on an ongoing basis. We meet survivor support groups regularly. We deal with survivors day in, day out.

Deputy Marc MacSharry: I know that, but did a specific consultation process on this €15,000 limit and the prioritisation take place?

Ms Mary Higgins: No, because the prioritisation was something that we had to do in order to be faithful to the legislation.

Deputy Marc MacSharry: I am not saying that Caranua did not have to do it. Clearly, it may have been necessary, but was it an oversight not to enter into consultation before determining a prioritisation policy and a €15,000 limit? The accountants were there and there were four survivors on the board, but what of the broader-----

Ms Mary Higgins: The limit came from survivors themselves. Having heard of people who had received a great deal, they felt that it was unfair-----

Chairman: What was the largest payout?

Ms Mary Higgins: It was €100,000.

Chairman: Did many receive more than €50,000?

Ms Mary Higgins: Mr. Yeomans might read that out, as I am flustered.

Mr. David Yeomans: This is a list by volume and by value. In bands, two people received more than €100,000 each. There were three in the band up to €90,000. Three received between €80,000 and €85,000. All the way down to approximately €35,000 accounts for 5% by cumulative volume, but that 5% received approximately 20% of payments.

Chairman: How many received more than €50,000?

Mr. David Yeomans: That was 1%.

Chairman: No. In numbers.

Mr. David Yeomans: Forgive me. Forty-nine people received more than €50,000. Representing 1% of the volume of the 5,000, they received almost 6%.

Chairman: When did the penny drop with Caranua that that could not continue, given the potential of 14,000 further applicants?

Ms Mary Higgins: After opening for applications in 2014, it was only towards the end of that year before we made payments, so it was when we moved into 2015 that we could see the spend. The Chairman will see what 2015 looked like from our graph. It was mid-way through 2015.

Chairman: Could Caranua not foresee some people returning? I will allow Deputy MacSharry back in, as I am probably cutting across his question.

Deputy Marc MacSharry: No bother, and I am sorry for flustering Ms Higgins.

Ms Mary Higgins: It was not the Deputy's fault.

Deputy Marc MacSharry: We do not want Ms Higgins flustered. I have lost my train of thought, though. Could the Chairman remind me-----

Deputy Bobby Aylward: The Deputy is flustered now.

Deputy Marc MacSharry: -----what it was before he took over?

Deputy Bobby Aylward: We are all flustered.

Deputy David Cullinane: I will take over if Deputy MacSharry wants.

Deputy Marc MacSharry: No, Deputy Cullinane will not. We were on consultation and the lack thereof.

Ms Mary Higgins: Yes.

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Deputy Marc MacSharry: Would Ms Higgins accept that it was not the best way forward?

Ms Mary Higgins: We spoke informally to survivors when we went through the process, and then we-----

Deputy Marc MacSharry: There was no formal process. When Caranua was speaking to people, it might have asked them what they thought of €15,000.

Ms Mary Higgins: No. We do not have a formal process of consultation. It tends to be something that we do on a regular and informal basis.

Deputy Marc MacSharry: Might I suggest that-----

Ms Mary Higgins: We are now working on a meaningful engagement strategy. It will be-----

Deputy Marc MacSharry: -----Caranua should adopt one?

Ms Mary Higgins: Yes. There are a number of survivor support groups, and they are an obvious place to go, but they do not necessarily represent all of-----

Deputy Marc MacSharry: There is no shortage of survivors.

Ms Mary Higgins: No. It is about getting to them.

Deputy Marc MacSharry: There are support groups and Caranua knows that they exist, but will Caranua adopt a formal, periodic process?

Ms Mary Higgins: Yes.

Deputy Marc MacSharry: Is there any timeframe for that?

Ms Mary Higgins: We consult regularly currently, but we need to deepen it. We will do that this year.

Deputy Marc MacSharry: Make it more formal and so on.

Ms Mary Higgins: Yes.

Deputy Marc MacSharry: There were changes to the classes of service allowable under the scheme, but I thought that these would have required statutory approval. What changes were made in 2015? This is not Caranua's specific function, but were the changes laid before the Houses of the Oireachtas?

Ms Mary Higgins: No. They did not need to be.

Deputy Marc MacSharry: Under the Act.

Ms Mary Higgins: Under section 9, the board is responsible for determining the criteria for approved services. It can take account of circumstances and put approved services and applicants into classes.

Deputy Marc MacSharry: Caranua could reduce or increase services in line with its own views without consulting the Minister or the Oireachtas.

Ms Mary Higgins: We would not do it without consulting departmental officials. The legislation is clear, in that it is the board's responsibility.

Deputy Marc MacSharry: The board decides it.

Mr. Seán Ó Foghlú: Subject to working within the classes determined in the Act. Obviously, the board could not go beyond-----

Ms Mary Higgins: I am sorry. I should have said that.

Deputy Marc MacSharry: Were classes determined in the Act excluded or added to?

Ms Mary Higgins: We have added to them. The Act sets out many health services that are somewhat equivalent to those set out in the Health (Amendment) Act. It also refers to housing and education services. We still do housing. Our objective in helping people with housing supports is to ensure that they can remain at home safe, warm and secure so that they are not returning to institutions late in life. Our health objectives - being active and socially connected - are based on evidence of what worked for people suffering the effects of adverse childhood experiences. These are not specified exactly in the legislation, but we have included a number of services that can be claimed under them. I am referring to, for example, social clubs, gym memberships and services like that that are low cost but valuable in terms of their impact on people. Our education objective includes self-development.

The classes of service have not strayed from the legislation. We have strayed a little in terms of funeral costs. They did not clearly fit, but we argued that they fitted in under health and well-being because applicants would feel happier if they knew that their funerals would be paid for.

Deputy Marc MacSharry: I have two final questions. Evidence from a health professional is required for all housing and health-related services. Does Caranua pay for that or does the survivor?

Ms Mary Higgins: We pay.

Deputy Marc MacSharry: In all instances.

Ms Mary Higgins: Yes.

Deputy Marc MacSharry: Even though my application might not be granted, Caranua pays for-----

Ms Mary Higgins: Yes. It is something that is required for us to consider the application.

Deputy Marc MacSharry: I understand that, but in the event that I apply and am not approved,-----

Ms Mary Higgins: We pay for that. Often, we arrange it. We have a panel of occupational therapists on whom we call.

Deputy Marc MacSharry: What problems were there with preferred suppliers and survivors? Did any arise?

Ms Mary Higgins: We are only just entering into the preferred suppliers business now. We have the panel of occupational therapists.

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Deputy Marc MacSharry: Did survivors raise issues about that?

Ms Mary Higgins: About preferred suppliers-----

Deputy Marc MacSharry: Yes.

Ms Mary Higgins: -----or the occupational therapists?

Deputy Marc MacSharry: Not necessarily them. Has Caranua a broader list? This is not just about occupational therapists, but other services.

Ms Mary Higgins: The Sustainable Energy Authority of Ireland will undertake energy efficiency work. It will be our preferred supplier.

Deputy Marc MacSharry: Has any survivor indicated to Caranua that this is a problem or concern?

Ms Mary Higgins: When we undertook a pilot project in 2015, a couple of people felt that their independence was being challenged by our having preferred suppliers. We are trying to balance these things all the time. The Comptroller and Auditor General had difficulties with not having quotes and receipts and preferred suppliers is the one of the ways we can do that. If we have panels, there is a choice within them.

Deputy Marc MacSharry: I am guessing consultation was not a formal part-----

Ms Mary Higgins: Of preferred suppliers?

Deputy Marc MacSharry: Of the organisation's entry into that.

Ms Mary Higgins: We talk to and are in contact with survivors all the time, day in, day out. We listen to what survivors say and we consult survivor groups as well but we have 6,000 applicants.

Deputy Marc MacSharry: Notwithstanding that, is it fair to say that there was no formal consultation process?

Ms Mary Higgins: Yes, that is true but we are not in breach of any commitments that we have made.

Deputy Marc MacSharry: I am not saying Caranua is. It is not a question of sticking to the rules; it is a question of providing the best service that the organisation can. It is not a box ticking exercise. Is it true that its procedures manual to ensure transparency of decision-making is kept secret?

Ms Mary Higgins: Our procedures are published in our application-----

Deputy Marc MacSharry: Is there a procedures manual that is not given out?

Ms Mary Higgins: We have a number of internal procedures manuals. We have standard operating procedures for every action that is done in the course of our work. Has the Deputy a particular procedure in mind?

Deputy Marc MacSharry: No, I just wanted a "Yes" or "No".

How is success measured? What metrics are used to establish whether the organisation has

met the wishes of survivors under the scheme?

Ms Mary Higgins: We are about to tender for somebody to do an evaluation of the impact of our service on the quality of life and well-being of survivors. That will be one thing that we will do but we are constantly gauging the temperature of satisfaction through our interaction with survivors and we have an internal complaints mechanism. Our statistics show that since we started that in 2015, we have had 154 complaints. Our mechanism has three stages - one is where it gets sorted out where the complaint arose; two is where a manager is involved; and three is where it goes to internal investigation. We have had five internal investigations. Relative to the number of transactions and activities that occur within the organisation, there are few complaints. That is not to say there might be people who are dissatisfied but if they do not come to us, we will not get to hear about it and we are then unable to do anything about it.

Deputy Marc MacSharry: This is back to consultation. It seems there is a great deal about to happen.

Ms Mary Higgins: Yes.

Deputy David Cullinane: I welcome the witnesses. What was Ms Higgins's role before she took up her position in Caranua?

Ms Mary Higgins: Immediately before, I worked as an independent management and social policy consultant. Before that, I was the founding director of the homeless agency within Dublin City Council.

Deputy David Cullinane: Regarding the first post, who did Ms Higgins work for?

Ms Mary Higgins: The independent consultancy was for me. I was self-employed.

Deputy David Cullinane: What about before that?

Ms Mary Higgins: Dublin City Council. Before that, I was a director of Threshold. Before that, I worked in immigrant advice. Before that, I was in Cherish, which advocated for single parents.

Deputy David Cullinane: Ms Higgins did a report in October 2010 for St. Stephen's Green Trust.

Ms Mary Higgins: That is right, I did.

Deputy David Cullinane: What is St. Stephen's Green Trust?

Ms Mary Higgins: The trust is a philanthropic body which asked me to develop a socio-economic profile of survivors of institutional abuse because they were thinking of looking at this group for their grant programme, which is how I came to read the Ryan report so thoroughly. Much of what I reported on was based on that.

Deputy David Cullinane: Is it correct that Mr. O'Callaghan worked for more than 30 years in the public service, mainly in Revenue?

Mr. David O'Callaghan: Forty years or more. I retired as Secretary General of the Department of Defence in 2004. Prior to that, I was assistant secretary in that Department. Prior to that, I was in various grades in the Office of the Revenue Commissioners for 29 years.

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Deputy David Cullinane: Mr. O’Callaghan described the service that Caranua provided earlier as “an appalling service”. Could he elaborate on that?

Mr. David O’Callaghan: We just were not treating people properly, mainly because of lack of staff. We were not dealing with applications in a timely fashion.

Deputy David Cullinane: Will Mr. O’Callaghan elaborate on “not treating people properly”?

Mr. David O’Callaghan: If an application for a service is lying on someone’s desk for three, six or nine months, that is appalling.

Deputy David Cullinane: There was a dire staff shortage that led to pressures on staff.

Mr. David O’Callaghan: Absolutely.

Deputy David Cullinane: Did that pressure impact on interaction between survivors and staff in terms of the quality or the professionalism of the service?

Mr. David O’Callaghan: I am sure survivors were quite rightly annoyed.

Deputy David Cullinane: That would be an understatement.

Mr. David O’Callaghan: It would.

Chairman: Was Mr. O’Callaghan chairman of the board when he said this? When did he make this statement?

Deputy David Cullinane: He made it earlier when the Chairman was absent. I was in the Chair.

Chairman: My mistake. Did Mr. O’Callaghan make that statement earlier?

Mr. David O’Callaghan: Yes.

Chairman: I am sorry. I was out for a few minutes.

Deputy David Cullinane: Musical chairs. I would like to acknowledge Mr. O’Callaghan’s honesty and the fact that he has put that on the record. That is important because we all have received correspondence from survivors who have raised concerns about the level of service they received, the quality of the service, and their interaction with the organisation. There is some acknowledgement that there were problems, albeit that they are primarily being put down to staffing pressures. Mr. O’Callaghan has at least acknowledged that it was an appalling service. Would Ms Higgins describe the service as “an appalling service”?

Ms Mary Higgins: I would not describe it as an “appalling service” because when people get service, they get a very good service, by and large. The fact that people were waiting and we could not tell them how long they would have to wait is definitely not good but I would not like to give the impression that in terms of the interaction with applicants-----

Deputy David Cullinane: But Ms Higgins’s chairman did and he talked about the treatment of people. I asked him to elaborate.

Ms Mary Higgins: And it is about the time waiting.

Deputy David Cullinane: Not necessarily. He elaborated a little more than that. If the chairman is saying it was “an appalling service” but the chief executive officer does not agree, that troubles me. Why is there a conflict in this regard?

Ms Mary Higgins: We are not at odds. I am just trying to jump in in defence of people who work in Caranua.

Deputy David Cullinane: I would rather that Ms Higgins did not defend anything; I would rather that she would be honest with us when questions are put if she-----

Ms Mary Higgins: I am being honest in saying that what we do is deliver a good service to survivors. The difficulty has been that people have been waiting.

Deputy David Cullinane: By extension, that is not a good service.

Ms Mary Higgins: Yes.

Deputy David Cullinane: Because if someone is waiting too long, it cannot be described as a good service.

Ms Mary Higgins: I completely accept that.

Deputy David Cullinane: Would Mr. Ó Foghlú describe the service as “an appalling service”?

Chairman: Mr. O’Callaghan has indicated he would like to contribute.

Deputy David Cullinane: I am sorry.

Mr. David O’Callaghan: I was talking historically of course. I was talking about earlier on; I am not talking about the service we are giving at the moment. I was talking about when we started off in 2014, 2015.

Deputy David Cullinane: I will not be unfair to anybody. I heard exactly what Mr. O’Callaghan said and I understand the context.

Mr. David O’Callaghan: It was appalling and I gave the staffing as the reason for that. The service we are supplying now is a totally different service.

Deputy David Cullinane: I understand the context in which Mr. O’Callaghan said this but from its conception until now at some point he said the service was “appalling”. I understand the context in which he said that and the time to which he referred. I acknowledge that but I am putting the same question to Mr. Ó Foghlú.

Mr. Seán Ó Foghlú: I do not disagree with the general description put by the chairman and the chief executive officer of the initial service provided.

Deputy David Cullinane: Given the pressures on staffing levels, the high volume of requests, the difficulty in processing all the information, the tension with the survivors who were trying to access services as quickly as possible, and the organisation not being able to deliver on its mandate, would that have led to an adversarial system?

Ms Mary Higgins: No. I have described the number of complaints we have received. It was very fraught at the beginning. Survivors were very frustrated because the residential in-

stitutions statutory fund had taken a long time to be established. They were impatient and they were more impatient when we opened and we were not able to respond.

Deputy David Cullinane: Who was impatient?

Ms Mary Higgins: Survivors, the applicants and rightly so. I do not say that in a derogatory way.

Deputy David Cullinane: “Frustrated” would perhaps be a more appropriate word.

Ms Mary Higgins: They probably were frustrated and it was difficult to deal with that because there was a mismatch between the demand for the service and the number of people we had to deliver it.

Deputy David Cullinane: Okay.

I want to draw Ms Higgins’s attention to two areas. She spoke about consultancy firms that were appointed to do certain jobs of work. Mazars was one of them and Capita was the other.

Ms Mary Higgins: Capita is employed as our internal auditor.

Deputy David Cullinane: Okay. How much did Mazars-----

Ms Mary Higgins: It did an organisational review.

Deputy David Cullinane: An organisational review, which was essentially to tell Ms Higgins how to do her job. Would that be a fair assessment?

Ms Mary Higgins: No, it was partly to give assurance that we were doing our job and what we needed to do in order to do it better. That review looked at our whole organisation, including our application processes and systems.

Deputy David Cullinane: Were terms of reference set out for Caranua? A mandate was given to Ms Higgins in terms of her role. Was that given by the Department?

Ms Mary Higgins: The legislation is our terms of reference.

Deputy David Cullinane: The legislation does that. I am wondering why Ms Higgins would have needed a company to inform her as to what she needed to do. She was employed because she applied for the job, she has a certain skill set, she went for interview and got the job. Other people were working there and with the mandate she was given, she should have been able to do her job. Why was there a need to employ the services of this company and how much did that cost? Did that cost come from the budget or was it a separate cost? Ms Higgins may have applied to the Department to cover those costs.

Ms Mary Higgins: To take the last question first, all costs, including the costs of the independent appeals officer, come out of the fund, and that clearly stated in the legislation. The costs of the Mazars review was €24,666.42.

Deputy David Cullinane: Some €24,000 was spent on consultants. Has Ms Higgins project management experience?

Ms Mary Higgins: Yes. I have.

Deputy David Cullinane: Have other staff in the organisation project management experi-

ence?

Ms Mary Higgins: Yes, but the point about staff and consultants is that there is an issue of skills and time. We get consultants to give us something that we are not able to do either because we do not have the resources internally or because we do not have the skills.

Deputy David Cullinane: Ms Higgins can understand why these questions would be put. This seems to be coming up a great deal in organisations funded by the State. We employ people to do a job and they go off and employ consultants at more cost.

Ms Mary Higgins: I think it is true and it is a very good point. There seems to be a pattern of establishing State bodies and each State body seems to go through the same early pain of establishment and trying to get everything in place. That is a good point and perhaps there is a way that could be streamlined for everybody.

Deputy David Cullinane: How much of the work of Caranua was outsourced? Ms Higgins mentioned something about that earlier.

Ms Mary Higgins: Outsourced?

Deputy David Cullinane: Outsourced as in work being done by outside organisations.

Ms Mary Higgins: None.

Deputy David Cullinane: None.

Ms Mary Higgins: No. What was referred to earlier was that we used a company that provided us with agency staff at one point.

Deputy David Cullinane: Yes. How many agency staff would it have provided?

Ms Mary Higgins: At a maximum, it was about 12

Deputy David Cullinane: Twelve. On page 6 of the briefing note that Ms Higgins provided, there is table 1 and I ask if it could be put up on screen. I want to raise an issue that is important in terms of doing a look back exercise which, unfortunately for us, is all that we can do. It has been acknowledged that the level of the service for survivors was poor and appalling in the past and, for them, this adds insult to injury. We need to make sure that mistakes are not made in the future in terms of any organisation. There is a pattern here when we see what is revealed by a look back exercise. From table 1 we can see that the audited accounts for 2014 show that the cost of salaries and wages was €791,000, that figure increased to €1.3 million in 2015 and to €1.492 million in 2016 and it is now at its highest in 2016. When we note the volume of work which is set out underneath, it shows there was much more activity going on in 2015 than there was in 2016. At a time when the number of people applying for the service, the number of applications to be processed, the number of telephone calls received and so on are reducing, staffing costs have increased. It strikes me that we have gone the wrong way around on this. At a time when staff were needed, we did not have them and now when the service is starting to be scaled down, the cost of staff salaries is at its highest. Can Ms Higgins see that problem in the first instance?

Ms Mary Higgins: We had a backlog in the beginning and we are only getting to the point now of getting on top of that. What we are presented with as we go forward is the opportunity to enhance the quality of interaction we have with applicants.

Deputy David Cullinane: Can Ms Higgins stick to the question I asked? I draw her attention to table 2, on the screen, which covers applications by years and associated activity. In 2015, the cost of salaries was €1.3 million, having jumped from €791,000 the previous year. The cost of salaries was €1.3 million in 2015 and €1.492 million in 2016. If we note the activity, 1,228 people applied for the service in 2015 and 585 applied in 2016-----

Ms Mary Higgins: Yes.

Deputy David Cullinane: -----which was fewer than half number the previous year yet staff costs have increased. In 2014, 3,821 applied for the service and at that time the cost of staff salaries was only €791,000. At a time when 3,821 were applying for the service, the cost of staff salaries was €791,000 and at a time when 585 people were applying for the service the cost of staff salaries is €1.492 million. I am not necessarily blaming Ms Higgins for this, it goes back to points that were made earlier. I suggest that again this is another botched job. We do things backwards. When the organisation needed the staff, it did not have them, and when the activity of the service is beginning to wind down staff costs have increased. Can Ms Higgins appreciate that point?

Chairman: The Deputy has made the point and he might let Ms Higgins explain the position.

Ms Mary Higgins: The people who came into the service in 2014 did not necessarily get dealt with from beginning to end in 2014 and so they move across the years and we have been carrying a backlog. These are activities that relate to services. Because people come into the service, it does not mean they have come in and gone, they come back. The Deputy is right. I completely understand what he is saying, namely, that if we had the staffing at the beginning, we would not have had the backlog, the quality of services would have been better and perhaps we would be winding down staffing at this stage. We are where we are and we need to realise the opportunity presented by the staff that we have to really make a difference to the lives of survivors.

Deputy David Cullinane: I do not doubt that is Ms Higgins's intention but the phrase "we are where we are" refers to a situation where the overall cost here is €1.5 billion of the overall cost of dealing with abuse.

Ms Mary Higgins: Yes.

Deputy David Cullinane: We dealt earlier with the contributions we are getting from the religious congregations, which is quite a small amount. Again, I do not accept the argument that we are where we are. Why do we always end up in that space? We get the forecasting wrong. We did not anticipate the level of activities there would be when the organisation was set up. The same problems keep recurring. People appear before the Committee of Public Accounts, they acknowledge mistakes were made and they go out the door. The Secretary General, who is the Accounting Officer will go out the door, and we could be back here in one, two or five years if the same problems arise. It gets a bit tiring and it is difficult for us because all we can do is put questions.

Ms Mary Higgins: I completely accept that and I can understand that would be frustrating. The evidence is very clear here. In organisational terms, we are a very young organisation and, for us, 2013 was not a full year. We have only a few years under our belt. I agree completely with the Deputy that there are ways that we can collectively do more to get those things right

in the first instance.

Deputy David Cullinane: Okay.

Ms Mary Higgins: The only thing I can say in this case is that the Comptroller and Auditor General made recommendations and we are in the process of implementing them. We are not going away and not doing anything about them. Similarly, Mazars made recommendations and we have implemented all of those.

Deputy David Cullinane: I accept that.

I have two more questions. The first concerns the counselling services that were provided. Were some of those provided by organisations funded exclusively by the religious orders, or organisations which are an extension of religious orders?

Ms Mary Higgins: There is the National Counselling Service, which is funded by the HSE and the Connect counselling service, which is an offshoot of that, and it is simply a telephone service. There is the Immigrant Counselling and Psychotherapy service, ICAP which is based in the UK, although it deals with people here and there is Towards Healing, which is the organisation that is funded by the religious orders.

Deputy David Cullinane: Would survivors have been made aware that Towards Healing was funded by and was an extension of the religious orders?

Ms Mary Higgins: It has been established for a very long time and there was never a secret about it being-----

Deputy David Cullinane: I am not saying there was a secret. I am asking if, when the service was provided, people were made aware, given the sensitivities involved. Does Ms Higgins understand what I am asking? Were they made aware?

Ms Mary Higgins: I do not know. It was established before my time.

Deputy David Cullinane: Does Ms Higgins think they should have been made aware?

Ms Mary Higgins: I am sure they were. That is what I am saying. I also-----

Deputy David Cullinane: Will Ms Higgins find out if they were made aware?

Ms Mary Higgins: I cannot answer because I was not there when-----

Deputy David Cullinane: Will Ms Higgins find out for the committee if they were made aware?

Ms Mary Higgins: I certainly can. It is interesting; survivors I know are aware that Towards Healing is a Catholic service and do not have a difficulty with it. Obviously, some people do, but it is not something with which all survivors have a difficulty.

Deputy David Cullinane: Then it comes down to choice.

Ms Mary Higgins: Absolutely.

Deputy David Cullinane: It is important that people be given information in that respect. Does Caranua have a budget for foreign travel for staff and others?

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Ms Mary Higgins: We have applicants living in the United Kingdom. In the last board three of the members - three of the four survivors on the board - were in the United Kingdom. Therefore, there is-----

Deputy David Cullinane: Where in the United Kingdom?

Ms Mary Higgins: The Deputy is asking where in the United Kingdom.

Deputy David Cullinane: When Ms Higgins says survivors-----

Ms Mary Higgins: England.

Deputy David Cullinane: Right.

Ms Mary Higgins: We have four survivors on our board. They are appointed by the Minister. The board is about to be renewed, but until recently three of the members were living in the United Kingdom. Obviously, there is an expense for them in attending meetings.

Deputy David Cullinane: I am not talking about them. I am talking about staff, including Ms Higgins and other board members.

Ms Mary Higgins: We do go to parts of the United Kingdom when we are holding outreach clinics or consulting survivor support groups and Irish welfare organisations in the United Kingdom.

Deputy David Cullinane: Is there a budget for foreign travel?

Ms Mary Higgins: Yes.

Deputy David Cullinane: How much is it? The committee might be furnished with a breakdown of the budget. I do not want to pry into people's travel arrangements.

Mr. David Yeomans: We presented our projections for expenditure in the next two and a half years. For travel and subsistence for staff and the CEO, we have budgeted for a figure of about €18,000 a year. That is based on an average figure for the past three years. Every year the board reviews the particular outreach programme and every year the plans would be approved. They keep them under review.

Deputy David Cullinane: I thank Mr. Yeomans.

Caranua has at least acknowledged today that there were issues with the service, although they have mainly been put down to huge pressures in terms of staffing and the volume of requests coming in. As elected representatives and committee members, we have received correspondence from individuals who feel aggrieved and upset. What measures has Caranua taken to reflect its acceptance, as a corporate entity, that there were failures? How has it communicated this to survivors, given the sensitivities involved? We all know that we needed to make sure survivors would get the best possible service. However, that does not seem to be the case in this instance and it is troubling, notwithstanding the reasons. Has the board of Caranua reflected on this and discussed how it can communicate with survivors that it got it wrong? Without acknowledging that it was necessarily at fault, Caranua should communicate that it just got it wrong and that the service was not what it should have been. Was that message ever communicated to survivors?

Ms Mary Higgins: If the Deputy looks at our annual reports, it is stated very clearly up until

this year's report. I think we are saying in the report for 2016 that we have finally got to the point where we are really doing things properly. The 2014 and 2015 reports stated very clearly that the waiting lists were far too long and that people were waiting far too long. We have always accepted that. We apologise to those who are waiting and do stay in touch with them.

Deputy David Cullinane: Does Caranua apologise to them personally? How is the apology communicated to them?

Ms Mary Higgins: We write to people to say sorry that they have been waiting so long and that we will be getting to them shortly. We stay in touch with them.

Deputy David Cullinane: Does Ms Higgins understand most people do not read annual reports of any organisation?

Ms Mary Higgins: I do understand that and there are-----

Deputy David Cullinane: It would not be the best way to reflect an acknowledgement that there were failures.

Ms Mary Higgins: The point I want to make is that we are in touch with survivors on a daily basis. They are in contact with our office and we are talking to them all the time. There is ongoing communication with survivors, of whom 6,000 have applied to us. We have dealt with about 150 telephone calls to our freefone number. We are constantly in contact with people.

Deputy Catherine Connolly: I have a number of quick questions. The telephone calls were primarily answered by agency staff?

Ms Mary Higgins: I am sorry-----

Deputy Catherine Connolly: I am sorry; I was indistinct. The number of agency staff was extraordinarily high, given the pressure. Caranua had no staff and went for agency staff. Is that right? What was the highest percentage of agency staff?

Ms Mary Higgins: I think we started agency staff in-----

Deputy Catherine Connolly: What was the highest percentage?

Ms Mary Higgins: Mr. Yeomans is getting the figures. I am just trying to-----

Deputy Catherine Connolly: While he is getting the figures, I want to know the highest percentage and the cost. In addition, I asked a direct question. I hope Mr. Yeomans is coming back to me with the list of external and internal audits - all of the reports. There was one from Mazars and I heard another one mentioned in answer to Deputy David Cullinane. Please give me a list and the price. One figure has been given. If the witnesses could do that before the end of the meeting, I would appreciate it. This is all about value for money. What was the highest percentage of agency staff?

Mr. David Yeomans: I do not have the figures in percentage terms. Table 4 gives the average staff numbers over the year.

Deputy Catherine Connolly: That is table 4 in the briefing document.

Mr. David Yeomans: Yes.

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Deputy Catherine Connolly: It covers temporary agency staff. Will Mr. Yeomans take me through it?

Mr. David Yeomans: The figures are broken down by seconded staff, temporary agency staff and fixed-term specified-purpose contracts.

Deputy Catherine Connolly: The figures for temporary agency staff are 7.7 and 13.8. Is that right?

Mr. David Yeomans: That is correct.

Deputy Catherine Connolly: Therefore, at one stage Caranua had 13.8 agency staff, meaning that the majority of its staff in 2015 were agency staff?

Mr. David Yeomans: Correct.

Deputy Catherine Connolly: There is a huge turnover of staff. Is that right?

Mr. David Yeomans: Yes, there would have been.

Deputy Catherine Connolly: What is the total cost of agency staff? While Mr. Yeomans is getting that figure, he might get the information required on the other matter also.

Mr. David Yeomans: I point out that my reply might not be comprehensive. Therefore, I would like to be able to come back-----

Deputy Catherine Connolly: That is okay. I am sure the Chairman will facilitate Mr. Yeomans. The witnesses should have these figures. This is a value for money committee. In January, at 14, the figure was appalling. Let me continue with my questions while Mr. Yeomans is looking for the information. Is there rent involved?

Ms Mary Higgins: We have had rent-free accommodation from 2013 until May this year. We will have rental costs for the rest of this year to the end of 2019.

Deputy Catherine Connolly: Is the organisation based in an Office of Public Works building?

Ms Mary Higgins: Yes.

Deputy Catherine Connolly: It was rent free until this year.

Ms Mary Higgins: It was rent free under the Department of Education and Skills, I think.

Deputy Catherine Connolly: Why is rent payable now and what is the cost involved?

Ms Mary Higgins: My memory is that market rent is around €240,000.

Deputy Catherine Connolly: Has Caranua moved buildings?

Ms Mary Higgins: We will be moving in May.

Deputy Catherine Connolly: Why?

Ms Mary Higgins: The lease is up on the building and we have been given notice to quit.

Deputy Catherine Connolly: Why is the Department of Education and Skills not renewing

the lease?

Ms Mary Higgins: It is the OPW.

Deputy Catherine Connolly: Can Mr. Ó Foghlú throw any light on it?

Mr. Seán Ó Foghlú: My understanding is that it is an OPW-occupied building. As such it holds the lease. There are a number of tenants in the building and they are surrendering the lease this year.

Deputy Catherine Connolly: Caranua is introducing limits and restrictions to its scheme and it will now have to pay market rent on a building? Does Mr Ó Foghlú think that is appropriate?

Mr. Seán Ó Foghlú: Every agency has to make arrangements for its accommodation. The OPW is not in a position to continue to provide accommodation.

Deputy Catherine Connolly: Was this matter brought to the attention of the Department before?

Mr. Seán Ó Foghlú: I was aware that Caranua was moving locations, but I was not aware of the details.

Deputy Catherine Connolly: Does Ms Higgins know what rent Caranua will be paying?

Ms Mary Higgins: It is about €240,000. We can certainly get the figure for the Deputy.

Deputy Catherine Connolly: That is €240,000 for-----

Chairman: Therefore, it would out at €750,000.

Deputy Catherine Connolly: I am sorry; I did not hear the answer.

Chairman: She said the figure would be €240,000 per annum, or €750,000 from the survivors' fund.

Deputy Catherine Connolly: Let us move on. Under the Act, if local authorities are so directed, liaison officers are appointed. How many liaison officers have been appointed?

Ms Mary Higgins: I think initially all local authorities appointed liaison officers. The HSE has appointed a high level group.

Deputy Catherine Connolly: Has Caranua contacted all local authorities to appoint liaison officers?

Ms Mary Higgins: Yes; we did it in 2013 through the County and City----

Deputy Catherine Connolly: I checked with the city council today. It does not have a liaison officer in Galway.

Ms Mary Higgins: I was just going to say that through the County and City Management Association, CCMA, some were appointed. What we have done since is to liaise as and when we needed to.

Deputy Catherine Connolly: I ask Ms Higgins to please listen to me. I know that it is

Thursday afternoon and we are all tired and mad keen to get home for Easter, none more so than myself. The question is how many local authorities has Caranua contacted to ask who is their liaison officer and state it wants them to have a liaison officer. That is the question and Ms Higgins is not answering it. We'll she, please, come back to me on it? The next question is-----

Chairman: Does Ms Higgins know the answer?

Ms Mary Higgins: Liaison officers were appointed in 2013.

Deputy Catherine Connolly: How many?

Ms Mary Higgins: It was done through the CCMA. I think it probably felt it was not necessary to have them in every single area and that one liaison officer would cover a couple of counties. That was done. I can certainly get the list for the Deputy.

Deputy Catherine Connolly: This is really important - having a liaison officer in a local authority - because part of Caranua's role is to access other services.

Ms Mary Higgins: I understand.

Deputy Catherine Connolly: Ms Higgins understands it all. I want a list of liaison officers.

Ms Mary Higgins: I will get it.

Deputy Catherine Connolly: When did Caranua update it since 2013? The city councils are constantly understaffed and staff are constantly moved. Has there been a designated person who stays as the liaison officer and gains experience? If Ms Higgins does not know the answer, she should, please, come back and tell me.

Ms Mary Higgins: I will come back to the Deputy.

Deputy Catherine Connolly: What is the name of the counselling group Ms Higgins mentioned? Is it a survivors group?

Mr. David O'Callaghan: Towards Healing.

Deputy Catherine Connolly: My next question is for Mr. Ó Foghlú. According to the Comptroller and Auditor General's report the counselling is provided utterly free - wrong word - it is provided by the congregations. They pay for the counselling. The previous organisation was Faoiseamh and this one took over. I have a difficulty with it for some reason. What is the name of it?

Mr. David O'Callaghan: Towards Healing.

Deputy Catherine Connolly: All of Towards Healing's activities are funded by the congregations, is that right?

Mr. Seán Ó Foghlú: As I am not involved in the funding of Towards Healing, I cannot comment. Under the indemnity agreement, €10 million worth of services was provided by Towards Healing. As the Department does not fund Towards Healing, I cannot comment in any detail on it.

Deputy Catherine Connolly: The Comptroller and Auditor General might comment be-

cause I think it is mentioned in his report. Will he clarify the position for me?

Mr. Seamus McCarthy: It is mentioned on page 36 of the report. The Department received an assurance from the congregations that they had provided funding towards the cost of providing the service.

Deputy Catherine Connolly: I am reading page 36: “In 2011, a new service provider – Towards Healing – replaced Faoiseamh and is funded exclusively by the religious congregations and the Irish Conference of Bishops”. Is that Mr. McCarthy’s understanding?

Mr. Seamus McCarthy: That is my understanding.

Deputy Catherine Connolly: I understand the permission of the Minister is needed when Mr. O’Callaghan and the Department of Education and Skills seek contracts. Is that right?

Mr. David O’Callaghan: That is correct.

Deputy Catherine Connolly: What contract, if any, did Caranua sign with Towards Healing?

Mr. David O’Callaghan: We did not sign any. We have a service level agreement, a memorandum of agreement, with Towards Healing, but we did not seek the sanction of the Department of Education and Skills.

Deputy Catherine Connolly: Why not?

Mr. David O’Callaghan: We did not see it as a contract as such in terms of a contract to purchase goods or services, no more than we seek sanction to go to the HSE or a local authority in respect of building works or anything like that. This was a service provider we were using to which some of our survivors opted-----

Deputy Catherine Connolly: Did Caranua discuss the matter at board level?

Mr. David O’Callaghan: Yes.

Deputy Catherine Connolly: When did it discuss it at board level?

Mr. David O’Callaghan: I think as early as 2015.

Deputy Catherine Connolly: There was a memorandum of understanding, is that right?

Mr. David O’Callaghan: Yes.

Deputy Catherine Connolly: Will Mr. O’Callaghan tell me a little about it? There is no date on the one I have.

Mr. David O’Callaghan: What?

Deputy Catherine Connolly: I beg Mr. O’Callaghan’s pardon. There is a date, 8 October 2014. Will Mr. O’Callaghan tell me a little-----

Mr. David O’Callaghan: I do not have a copy of it in front of me.

Deputy Catherine Connolly: Will Mr. O’Callaghan give me the gist of what he understood in the memorandum of understanding?

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Mr. David O’Callaghan: My understanding is that some of our survivors opt to go to Towards Healing for counselling. This counselling service provides 80 sessions free, after which Towards Healing requires payment. Some of our survivors wish to have more than 80 sessions. In these circumstances Caranua has agreed with Towards Healing that it will pay.

Deputy Catherine Connolly: How much has Caranua paid to this organisation?

Mr. David Yeomans: I do not have that figure with me. Several transactions are still to be made. I can, however, confirm that it was on 1 October 2014 that the board approved the memorandum of understanding to be signed.

Deputy Catherine Connolly: The minutes are all available to us.

Mr. David Yeomans: Of course, they are on the website. I just have a list of-----

Deputy Catherine Connolly: That was in 2014. How much money has been paid over to the organisation?

Mr. David Yeomans: I will have to check because it is grants to individuals. It is per individual as opposed to an organisation.

Deputy Catherine Connolly: I do not know why Caranua would need a memorandum of understanding. Does the Department know anything about this?

Mr. Seán Ó Foghlú: The Department was informed about it and given a copy of the memorandum of understanding, but it is a matter for Caranua to engage the services.

Deputy Catherine Connolly: Does Caranua hand over money to this organisation?

Ms Mary Higgins: The arrangement-----

Deputy Catherine Connolly: No, the financial controller, please.

Mr. David Yeomans: Yes.

Deputy Catherine Connolly: What is handed over? How and when is it handed over?

Mr. David Yeomans: Six monthly sets of invoices are presented to Caranua. The first part is to establish if the applicant has provided permission to share forms in order that we can deal with Towards Healing.

Deputy Catherine Connolly: I am sorry; I missed that.

Mr. David Yeomans: There is permission to share forms in order that we can engage with Towards Healing for the particular individual.

Deputy Catherine Connolly: The applicant gives permission to share.

Mr. David Yeomans: Correct. The second stage is that Towards Healing and its independent clinical psychologist recommend that the person should continue to receive counselling beyond the 80 sessions. The third stage is ensuring there is approval for the eligible applicant. We can then settle the matter.

Deputy Catherine Connolly: Every applicant has a choice which is made known to them.

Ms Mary Higgins: Absolutely. Mr. Yeomans was not there at the time and part of the reason-----

Deputy Catherine Connolly: I apologise to Ms Higgins, but I am going to stay with the financial officer for the moment. There are six monthly invoices.

Mr. David Yeomans: Correct.

Deputy Catherine Connolly: That has been happening in the past few years. By whom are the invoices issued?

Mr. David Yeomans: Towards Healing.

Deputy Catherine Connolly: Caranua has no up-to-date figures for the amount that has been paid over.

Mr. David Yeomans: No, not at this point.

Ms Mary Higgins: We can give-----

Deputy Catherine Connolly: Please, Ms Higgins. These are practical questions.

Mr. David Yeomans: Yes, I can get the figures for the Deputy.

Deputy Catherine Connolly: Has Mr. Yeomans any idea or an estimate? Can he remember, as financial officer?

Mr. David Yeomans: The only figure that comes to mind is approximately €96,000 that was paid at one point.

Deputy Catherine Connolly: At one point €96,000 was paid.

Mr. David Yeomans: I think that was in respect of 2015. I do not have the up-to-date figures.

Deputy Catherine Connolly: Mr. Yeomans will give us a list and have the figures very quickly for us.

Mr. David Yeomans: Yes, I can.

Deputy Catherine Connolly: I understand from the Comptroller and Auditor General's report that this organisation is providing free services. Was he aware that it was receiving payments?

Mr. Seamus McCarthy: In the period to 2015 the commitment was to provide a minimum of €10 million for these kinds of service. That is what it committed to provide under the indemnity agreement.

Deputy Catherine Connolly: We do not know if it has provided services to a value of €10 million. We do not know if the figure is less or more.

Mr. Seamus McCarthy: That is confirmed.

Mr. Seán Ó Foghlú: It is confirmed that it has completed its commitment under the indemnity agreement. Therefore, my understanding is that any arrangement Caranua has with it

involves paying for services on top of services it is providing, of its own volition, for survivors.

Deputy Catherine Connolly: I interrupted Ms Higgins. I am now going to give her a chance. I put it to her that letters were sent to tell applicants that their applications were closed or complete. How many such letters have been sent? We have completed over 2,000, about 2,020, applications. Our practice in terms of completions is that a completion occurs when somebody has gone through the process and has received payments. It is done in conjunction with the applicant and the adviser-----

Deputy Catherine Connolly: Ms Higgins, please listen to me. There is huge upset. I realise some people are very happy with the service. Other applicants are not. I am simply reflecting what I have read and heard so I am asking Ms Higgins-----

Ms Mary Higgins: I am sorry. I do not-----

Deputy Catherine Connolly: Ms Higgins referred to 2,000 letters.

Ms Mary Higgins: I am saying we have completed-----

Deputy Catherine Connolly: I did not ask what Caranua had completed. I asked Ms Higgins how many letters were sent out to applicants telling them that their application was complete.

Ms Mary Higgins: And I am saying that a letter is sent when an application is completed following a conversation between the applicant and the adviser. We have completed 2,219 applications. Therefore, 2,219 letters will have been sent.

Deputy Catherine Connolly: A total of 2,219 telling the applicants. On every single occasion, was there a discussion with the adviser?

Ms Mary Higgins: That is the procedure.

Deputy Catherine Connolly: We are up to here with procedures and policies from every single institution that comes before us. I am talking about the implementation of the policy.

Ms Mary Higgins: The reason one has a policy is so it is implemented. The reason one has a policy is so one can check that it is implemented. I have no reason to believe that the policy is not followed.

Deputy Catherine Connolly: When Caranua's staff wrote to 2,219 people saying their applications were complete, was that the policy? What does it mean to say their applications were complete? Is that the end? Is it the case closed?

Ms Mary Higgins: In general, that is what it means. It does not stop somebody coming back if he or she wants to make an application. Under the new criteria, whereby there is a limit, obviously if somebody has reached the limit, that would be the reason for their completion.

Deputy Catherine Connolly: When did this policy come into being?

Ms Mary Higgins: It has always been our policy to-----

Deputy Catherine Connolly: That is not correct. These letters were not sent out from day one.

Ms Mary Higgins: What I was going to say is that it has always been our policy to complete an application because we cannot keep 5,000 or 6,000 applications open. It is not physically possible for us to manage that number of applications.

Deputy Catherine Connolly: Could Mr. Callaghan state when this was discussed at board level?

Ms Mary Higgins: Could I just finish and explain?

Deputy Catherine Connolly: If I interrupted Ms Higgins, I apologise. I thought she was finished.

Ms Mary Higgins: I had not completed. It is an interesting thing that has happened to Caranua. As I said at the beginning, we really understand the difficulties that people experience in reading and getting letters. We know that people are very discommoded, and they will say that to us. They are distressed when they get letters if they do not understand them or they are not able to read them. Our practice at the beginning was to talk to people, to telephone them and to advise them on what we were doing. We did not necessarily then send letters. However, it happened that we then got into trouble for not sending letters because we were accused of not advising the applicants of the decision that we had made. Hence, we had to start sending letters.

Deputy Catherine Connolly: The most basic requirement is that one would write and convey a decision. What does it mean to say Caranua got into trouble because it did not do it? Is it not the most basic requirement that an organisation would write a letter stating its decision, stating the decision may be appealed, giving the time within which the appeal should be made and stating the appeals officer's name and how to do it? Is that not the most basic requirement?

Ms Mary Higgins: We did not actually see it as a decision because the conversation was to the effect that we had done this and that, telling the applicants they were going to get these payments and that all their needs were met and asking them whether that was okay. That would have been the procedure. We did not actually see it as a decision on an application because it was the end of the application.

Deputy Catherine Connolly: Ms Higgins-----

Ms Mary Higgins: I am sorry. It was a procedure. It was part of our procedure. It was part of our internal processes in order to manage the applications in an orderly manner.

Deputy Catherine Connolly: Could Mr. O'Callaghan state whether this was discussed at board level?

Mr. David O'Callaghan: No, we saw this as purely an operational procedural matter for the executive.

Deputy Catherine Connolly: Can I explain the significance of a decision? Somebody is allowed to appeal that so if they are not told in a letter, is that not a difficulty?

Mr. David O'Callaghan: They are told.

Ms Mary Higgins: They are told.

Deputy Catherine Connolly: Let me just quote:

Dear [G],

COMMITTEE OF PUBLIC ACCOUNTS

Further to your conversation with your adviser, I am writing to confirm that your application with Caranua is now complete. As you know, we require receipts for all payments that we make to you and I would be grateful if you could return any outstanding receipts to us using the enclosed envelope. We are delighted to have been able to respond to the needs that you presented to us and hope that you will be able to enjoy the benefits of the assistance you have received into the future.

There are a number of difficulties with that letter. First, Caranua is telling the applicant the application is complete. Second, it is not telling him or her that it is a decision that can be appealed and, therefore, the person cannot bring an appeal to the appeals officer. Some people did and the appeals officer said he or she was awfully sorry as that was not a decision or a determination so he or she could do nothing. Does Mr. O'Callaghan understand the significance of those types of letters?

Mr. David O'Callaghan: I do.

Deputy Catherine Connolly: Good.

Mr. David O'Callaghan: I see it can be very important, if turning someone down, to highlight and inform of the appeals process. Maybe I did not quite catch the letter the Deputy mentioned but it seemed to be positive, to a happy customer whom we were asking to enjoy-----

Deputy Catherine Connolly: No, no, no. The happiness is happiness coming from Caranua.

Mr. David O'Callaghan: Maybe the Deputy would read the letter again. Was it to someone in respect of whom the works had been completed? Is that is what she was saying?

Deputy Catherine Connolly: I did not say anything of the sort. I am reading from a letter that Caranua sent out, the important point being, "Further to your conversation with your adviser, I am writing to confirm that your application [...] is now complete."

Mr. David O'Callaghan: Sorry, do we not go on in that letter to say-----

Deputy Catherine Connolly: Caranua does but it does not tell the applicant this is a decision and that it can be appealed. Therefore, that applicant and the other applicants do not know where they are. They are being told it is complete. They cannot appeal it. The appeals officer will not entertain it - I am sure Mr. Ó Foghlú will confirm that - unless a decision is made and an explanation is given. Mr. O'Callaghan does not seem to be aware of that. I will come back to Mr. Ó Foghlú in a minute, if I can, in relation to a review of the board and who is going back on the board and so on.

In relation to the difficulties that have arisen from the Comptroller and Auditor General's viewpoint and the lack of receipts and internal controls, this does not reflect in any way my reading of his report on the survivors or the applicants; it reflects on Caranua. Caranua's change of policy is now to go directly to the suppliers and it feels that is not in conflict with the Act, and that it is able to disclose. Even though there is a confidentiality section, a decision was made at board level that it can be breached. Is that not right?

Mr. David O'Callaghan: No. We are entitled under the Act to do it.

Deputy Catherine Connolly: The Caranua briefing document states the board noted this would not be a breach of confidentiality. Did the board make the decision it would not be a

breach?

Mr. David O’Callaghan: That is in relation to receipts.

Deputy Catherine Connolly: That is exactly what I am asking about. Caranua is having difficulty with receipts.

Mr. David O’Callaghan: I thought the Deputy said “preferred suppliers”.

Deputy Catherine Connolly: I beg your pardon. I meant receipts in relation to anything and the procurement of receipts. Obviously, some of us, myself included, have a difficulty keeping receipts. The Comptroller and Auditor General has asked how the organisation knows how the money was spent if it does not have receipts. Does Mr. O’Callaghan accept that?

Mr. David O’Callaghan: Yes.

Deputy Catherine Connolly: Then Caranua set about getting receipts. One of its solutions to that at board level is to say it interprets the Act in such a way and can go direct to the supplier to get the receipt? Is that right?

Mr. David O’Callaghan: Yes.

Deputy Catherine Connolly: And that does not breach confidentiality. That decision has been made at board level.

Mr. David O’Callaghan: It does breach confidentiality but it is within the law.

Mr. David Yeomans: May I read from the Act?

Deputy Catherine Connolly: Let me continue. I am only quoting. I will give the delegates plenty of time, subject to the ruling of the Chairman. I refer to the briefing document’s reference to Caranua’s board meeting and the thing about receipts. The delegates’ document states the board noted that this would not be a breach of confidentiality and that the board agreed to provide this authority and so on, subject to limits. The board noted that this would not be a breach of confidentiality. Is it or is it not, according to the board?

Mr. David O’Callaghan: The Act states a person does not contravene the confidentiality subsection by disclosing confidential information if the disclosure is made or authorised by the board.

Deputy Catherine Connolly: That is right. I am not trying to catch the delegates out; I am only trying to clarify something. The board made a decision that this was not a breach of confidentiality. Is that right?

Mr. David O’Callaghan: Under section 23(3)(a) of the Act.

Deputy Catherine Connolly: That is right. Ms Higgins, on the last page, the second paragraph from the top, of her three page opening statement dated 13 April 2017 states:

Caranua is engaged in the delivery of a care service to people who may be vulnerable. We do require receipts but we are prohibited by the confidentiality provisions of our legislation in seeking these from suppliers and are dependent on our applicants providing them.

That paragraph clearly contradicts what Mr. O’Callaghan has just told me.

Ms Mary Higgins: No.

Deputy Catherine Connolly: Let me read it again.

Ms Mary Higgins: Let me explain it.

Deputy Catherine Connolly: I understood exactly what has been said. The paragraph states: “We do require receipts but we are prohibited by the confidentiality provisions of our legislation in seeking these from suppliers.”

Ms Mary Higgins: Yes. What I was trying to do was address directly the key concerns. The major concerns of the Comptroller and Auditor General’s report were in relation to the lack of quotes and the lack of receipts. I was addressing myself to that in particular by way of explaining the difficulty that we have. Under the legislation we cannot go to suppliers directly and get receipts. Our solution to that is, as the Deputy has just discussed with the Chair, the board can make a decision in certain circumstances. If the board instruct that something can be done then we are not in breach of the legislation and that is what the board is proposing to do.

Deputy Catherine Connolly: The briefing document was written on 13 April and the opening statement by Ms Higgins was written on 13 April but one contradicts the other. I am glad that Ms Higgins has clarified the matter. She has said that the board has made a decision and the organisation is guided by that.

My next question is on receipts and limiting the suppliers. One of my colleagues has asked the same question. Has Caranua restricted the number of suppliers to applicants?

Ms Mary Higgins: Yes. For example, we have a contract with the Sustainable Energy Authority of Ireland.

Deputy Catherine Connolly: Has Caranua begun the restriction of suppliers?

Ms Mary Higgins: Yes.

Deputy Catherine Connolly: Does that come down to small builders?

Ms Mary Higgins: I do not understand.

Deputy Catherine Connolly: Has Caranua put a limit on who applicants can approach?

Ms Mary Higgins: We have a contract with Sustainable Energy-----

Deputy Catherine Connolly: Forget that for the moment. I am talking about extensions and similar work in a house. Are the applicants limited?

Ms Mary Higgins: No. We have a contract with the SEAI. That is the only contract that we have at the moment. The SEAI do specific works in relation to energy efficiency. If somebody is looking for those works then that would be our preferred supplier in Ireland. We are also in contact with the City and County Managers Association and looking at their lists of builders so that we can use those lists because that assures the quality of services and that there are checks and oversight of the work that is done. It means that we can be billed directly and that applicants are not involved in having to get quotations and receipts.

Deputy Catherine Connolly: Let us say somebody goes back to Caranua and claims he or she has not experienced a good service and the quality was not checked in terms of the chosen

project. Will Caranua listen to the complaint?

Ms Mary Higgins: Absolutely.

Deputy Catherine Connolly: In terms of receipts, did it occur to Caranua to say to applicants, “Look, if you are like me then don’t worry about receipts but give us permission and we will get them directly to save you that hassle” and give applicants choices?

Ms Mary Higgins: What we were doing was giving applicants authority over their own affairs. They took responsibility to return receipts to us and many people do. Obviously there is a time lag between the time we approve and make a cheque available to somebody, the time the work is done and when the receipt comes in. We did not assume that we would not get receipts back. We assumed that we would get receipts back.

Deputy Catherine Connolly: This is an organisation that was in trouble from day one, not because of applicants and receipts but because of internal controls. I am still waiting on the figure for the number of companies that Caranua had to bring in to put things right.

The Comptroller and Auditor General has asked how can one know whether there has been an overpayment or underpayment without receipts so this problem has been flagged. In all of the consultations by Caranua, informal and formal, did it ever occur to the organisation to discuss the issue to decide whether the situation is a burden and, if it was, seek permission to do this work directly? Did that occur to the organisation? I presume it is not necessary to say there was a choice. Part of the whole set-up of Caranua is to treat people with dignity and respect. “Empower” was the word uttered by the witnesses.

Ms Mary Higgins: I think it is a very good suggestion.

Deputy Catherine Connolly: Very good.

Ms Mary Higgins: I think it is something that we can look at doing.

Deputy Catherine Connolly: Great. I am almost finished, Chairman. Have conflicts of interest been declared?

Mr. David O’Callaghan: This is probably a board matter but I think the answer is no.

Deputy Catherine Connolly: Is there a policy and procedure in place to deal with conflicts of interest?

Mr. David O’Callaghan: Yes, there is.

Deputy Catherine Connolly: I wish to discuss the board and the three policy changes. This starts off in 2014 and there is no limit. Is that right? Caranua is overwhelmed and at some stage the policy changes to limit the amount of money. Was the decision made at board level?

Mr. David O’Callaghan: Yes.

Deputy Catherine Connolly: Ms Higgins, did the policy work on the ground?

Mr. David O’Callaghan: Sorry. That decision was made at board level.

Deputy Catherine Connolly: Yes.

Mr. David O’Callaghan: It was not necessarily connected with being overwhelmed.

Deputy Catherine Connolly: That is all right.

Mr. David O'Callaghan: Yes.

Deputy Catherine Connolly: Was the decision to prioritise made at board level?

Ms Mary Higgins: July 2015.

Mr. David O'Callaghan: July of 2015.

Ms Mary Higgins: Yes.

Deputy Catherine Connolly: Did the priority system operate on the ground before the board made a decision?

Ms Mary Higgins: No. That was brought to the board because it was just impossible for us to manage. We could see very clearly that new applicants were just not getting attention and that was the solution.

Deputy Catherine Connolly: I shall again ask both witnesses a specific question. In July 2015 the board made a decision about a priority system. Presumably it was brought to Mr. O'Callaghan's attention. As Ms Higgins has just said, they were under serious pressure and they had to prioritise. Can I presume the matter was put to the board and that is why the board agreed to have a priority system?

Mr. David O'Callaghan: Yes.

Deputy Catherine Connolly: Can we see all of that in the minutes?

Mr. David O'Callaghan: Yes. Yes, the minutes are on our website.

Deputy Catherine Connolly: Are they?

Mr. David O'Callaghan: Yes.

Deputy Catherine Connolly: I will be able to see that in July 2015 the decision was made to prioritise. Ms Higgins, as I have asked already, was the priority system in place, informally or otherwise, prior to the board's decision in July 2015?

Ms Mary Higgins: No.

Deputy Catherine Connolly: It was not.

Ms Mary Higgins: No.

Deputy Catherine Connolly: If applicants come forward and say that some member of Caranua communicated with them about this priority list prior to the board's decision in July 2015 then that is inaccurate?

Ms Mary Higgins: Nobody has come to me and said that. I am not aware of that but-----

Deputy Catherine Connolly: I am asking black and white questions at this point. We have been told that applicants were told that before the board's decision. Is that wrong?

Ms Mary Higgins: The decision was made on 15 July and we implemented that decision

from that date.

Deputy Catherine Connolly: Did Caranua implement the decision before that date?

Ms Mary Higgins: No.

Deputy Catherine Connolly: Definitely not?

Ms Mary Higgins: I am beginning to doubt myself but I am-----

Chairman: The Deputy can ask her question later if it is not answered.

Deputy Catherine Connolly: Can Mr. O'Callaghan tell me when the limit was discussed?

Mr. David O'Callaghan: In the early part of 2016.

Deputy Catherine Connolly: What was the reason for the discussion? Why was the limit reached? What was the context? What advice was given to the organisation?

Mr. David O'Callaghan: The advice was that if we continued on the way we were, and remember that we have this fund and we are custodians of this fund----

Deputy Catherine Connolly: Yes.

Mr. David O'Callaghan: -----so we have got to make sure that it is divided among the survivors in a fair and equitable manner. That is our responsibility so when we were told that it was unsustainable the way we were going on-----

Deputy Catherine Connolly: Who told the organisation that was the case?

Mr. David O'Callaghan: As we mentioned earlier, we had a presentation from our accountant.

Deputy Catherine Connolly: Mr. Yeomans.

Mr. David O'Callaghan: There were forecasts made as to how, if we went on the way we were, we would run out of funds at an early date. We decided that to be fair and equitable, and at the same time to take advantage of or use the input and feedback that we received from survivors, that the supply of things like white goods, funeral expenses, which were not allowed should be. The whole thing was packaged together. The feedback that we have been getting is very positive.

Deputy Catherine Connolly: How much money has been spent out of the €110 million?

Mr. David O'Callaghan: About €60 million.

Deputy Catherine Connolly: That leaves €50 million.

Mr. David O'Callaghan: There is about €50 million left.

Deputy Catherine Connolly: Where did Caranua get the idea that it was running out of funds?

Mr. David O'Callaghan: On the basis of financial forecasts made and the average rate of payment that we were making at the time.

Deputy Catherine Connolly: Funnily enough, we had financial forecasts from the Department of Education and Skills back in 2002 that were completely wrong in the opposite direction because they underestimated. It seems to me that the number of applicants consistently dropped. Is that not right? The lowest figure was in 2016.

Mr. David O'Callaghan: Yes, they are dropping, but there is still a steady flow.

Deputy Catherine Connolly: I hope there will be more. However, a sum of €50 million remains. Have applications closed?

Mr. David O'Callaghan: No.

Deputy Catherine Connolly: Are they ongoing?

Mr. David O'Callaghan: Yes.

Deputy Catherine Connolly: When was the meeting at which the presentation was made?

Mr. David O'Callaghan: April 2016.

Deputy Catherine Connolly: Are there minutes of that meeting?

Mr. David O'Callaghan: There are and we can give the Deputy a copy of the presentation also.

Ms Mary Higgins: A sub-committee of the board considered it and made the proposals to the board.

Deputy Catherine Connolly: It went to the board. There is €50 million in a fund at a time when there is a declining number of applications. Where did Caranua get the notion that there would not be enough money? Was it from an accountant?

Mr. David O'Callaghan: There is a declining number of applications, but it should be remembered that of the 6,000 survivors who have come to us for assistance to date, only 2,000 files have been completed and put away where we have met all of their needs. We have many cases still open.

Deputy Catherine Connolly: I know that it is late, but I am unhappy. Have 2,000 files been put away complete?

Mr. David O'Callaghan: There is no ongoing demand. If people have got what they looked for, there is nothing to stop them from coming back again, but they have not come back again.

Deputy Catherine Connolly: They cannot come back again because Caranua is writing to tell them that their file is complete. It is simple English. Caranua is writing to them to state, "Your file is complete". Mr. O'Callaghan has confirmed that 2,000 have been put aside and are complete. At what stage will the organisation make it known to the applicants that they can come back if their needs have not been met?

Mr. David O'Callaghan: I am sorry, I do not understand the question. We have people whose cases have been closed by mutual agreement. They are finished.

Deputy Catherine Connolly: I refer to the people with whom there is no mutual agreement. They have come to us and, possibly, every Oireachtas Member to say they have gone

forward and: “They said they met my needs. I was informed that there was a limit on the services that could be received ... told that there was no hope in hell Caranua would pay for it ... told “wasn’t entitled”. They said they have dealt enough with me and I had to make an appeal ... said I had reached my limit ... said they were prioritising first-time applicants”. I do not wish to interfere with any board decision, but I would like to see decisions based on some evidence that a fund is in trouble, which it is not, and a justification for a change in policy on a number of occasions, I believe, retrospectively. However, I take Ms Higgins’ word that it was not retrospective and that it did not happen, but there were different changes of policy over a number of years. How is that communicated to the applicants who believe their needs have not been met, despite having received a payment or two or more? There was no policy in the beginning. Applicants came forward and their needs were met in respect of the initial application. They then came forward with others. At some stage, Caranua’s policy changed and officials decided that they were in trouble and would limit the money, notwithstanding the fact that the number of applicants was reducing and there was €50 million in a fund, presumably plus interest as a result of investments.

Mr. David O’Callaghan: We do not want to end up with a surplus. We are not trying to save money on the scheme, but we have a duty to safeguard the fund and make sure it is dealt with in a fair, transparent and equitable manner. Why would we put an artificial limit on it to save money?

Deputy Catherine Connolly: I am asking Mr. O’Callaghan to answer that question.

Mr. David O’Callaghan: Perhaps the best way around this is for us to send a copy of the presentation made to the board showing the forecast for how the fund would-----

Deputy Catherine Connolly: Is the forecast-----

Mr. David O’Callaghan: We can give the Deputy our forecast which is a financial analysis of where we were.

Deputy Catherine Connolly: That would be helpful.

Mr. David O’Callaghan: The board had to take a decision. We would have been in breach of our duty if we had allowed things to go on the way they were. What would we do if we ran out of money and still had bona fide applications in hand?

Deputy Catherine Connolly: Caranua was not running out of money.

Mr. David O’Callaghan: We have not yet.

Deputy Catherine Connolly: Caranua was not running out of money when it made this decision.

Mr. David O’Callaghan: No, we were not, but we had to make it in good time. We could not wait until we had €10 million in the bank.

Deputy Catherine Connolly: I do not object to Caranua making decisions; I seek clarification-----

Mr. David O’Callaghan: We will send the Deputy a copy of the presentation on which our decision was made.

Deputy Catherine Connolly: Let me finish, please. I am trying to find out how Caranua arrived at the decision and why it was worried that it would run out of funds. That is what I am trying to establish. On the basis of what I have in front of me, I cannot make head nor tail of how one would think the organisation was running out of funds.

Ms Mary Higgins: We can make the proposal available to members, if that would be helpful.

Chairman: What was the payout in 2016?

Ms Mary Higgins: How much did we spend?

Chairman: Yes.

Mr. David Yeomans: The draft figure is €13.2 million in grants in 2016 which is included in Table 1 of the briefing note.

Chairman: I can see where Deputy Catherine Connolly is coming from. In 2015 Caranua paid out approximately €30 million. In 2013, over nine months, it paid out little or nothing when it was starting off. In 2014, according to the summary presented by the Comptroller and Auditor General an hour ago, the total payout was €10 million. In 2015 the total for grants and administration costs was €30 million. In 2016 the total for grants and administration costs was €15 million. How many years will the remaining €50 million cover?

Ms Mary Higgins: Two.

Chairman: Therefore, it is a figure of €25 million. Has there been a remarkable increase in payouts this year so far?

Ms Mary Higgins: No, but it is important to understand the figure for 2015 cannot be representative because there was a build up of payments in arrears that were carried forward from 2014. The figures for 2014 and 2016 are probably more normal.

Chairman: Of the 4,000 cases to which Mr. O’Callaghan referred as not being fully complete, is there much to be paid out? Very few people are now coming forward.

Ms Mary Higgins: We are still receiving applications and part of what we will do in the next year is make a significant effort to try to reach people who have not come to us yet. We will then have to set a closing date beyond which people will be unable to apply. That will help to bring people to us also. People have made initial applications and think they will come back at some point in the future. They need to know that there is a closing date. That will help to bring them to us also.

Chairman: I am sorry for cutting across Deputy Catherine Connolly.

Deputy Catherine Connolly: The Chairman has been generous with time. I am finished. I would like the other matters I raised to be addressed by the agency staff. They should have had that information today. Will Mr. Ó Foghlú confirm there will be a review of Caranua and the board and what is involved? Mr. O’Callaghan should review procedures as a matter of urgency and, at the very least, write to every applicant, whether repeat or otherwise, to clarify that his or her case has not been completed if he or she considers his or her needs have not been met. The procedures should be clarified. The term “case complete” is not appropriate and gives the wrong message. It was said that the organisation had only had three years and that it was a

new organisation but it was never going to be an old organisation because it was given a specific period of time in which to do its work. The extra nine months at the beginning was very helpful and then there were three years to roll out the process in the fairest and most consistent way possible but policy changes have built inconsistency and unfairness into the system. Some applicants have been allowed to apply for more while some have been given a limit. This has built inequity into the process which is totally and utterly against the letter and the spirit of the legislation under which the organisation operates.

Ms Mary Higgins: The Deputy made a number of references to our applicants coming to her or to other people. If people do this and they have concerns and questions, I appeal to the Deputy to make contact with us as we cannot do anything about them if we do not hear about them. We are completely committed to listening to what people have said and to putting right anything that is not right.

Deputy Catherine Connolly: I specifically mentioned cases where people had written letters to the Department of Education and Skills, such as one on 16 October drawing its attention to the difficulties, but without reply. These difficulties have been brought to Caranua's attention. The various appeals that have been made have also brought matters to the witnesses' attention and I understand the appeals officer is in constant contact with them.

Ms Mary Higgins: That is right.

Deputy Catherine Connolly: You will, then, be fully aware of these things.

Ms Mary Higgins: No, I am not.

Chairman: Caranua is going to have to pay rent from this summer for the next two or three years and it will have to come directly out of funding that would have previously been available. I am going to ask the Department of Education and Skills for full clarification of that and to see if a public building is available. We have been talking about transferring and receiving assets but it is a bit absurd that part of the scheme is for assets to be transferred to the State while some of the money for the survivors' fund will have to go in rent. We want to avoid this if possible.

Mr. Seán Ó Foghlú: The system does not work like that any more. The OPW provided funding for Departments to rent accommodation but that has now changed and, even where the OPW provides accommodation, the Department or agency has to pay. We will look at the question the Chairman has asked but the system has changed.

Chairman: Mr. Ó Foghlú said there was a simple answer. We wanted him to explain the current situation and we will raise the issue again.

Deputy Catherine Connolly: Has a contract been signed?

Ms Mary Higgins: We are certainly at that stage but I would ask that it not be signed.

Chairman: I ask the Department of Education and Skills to weigh in behind Caranua to see if anything can be done.

Mr. Seán Ó Foghlú: We hear what the Chair is asking and we will get back to him with an answer.

Chairman: I do not know what the answer will be but it would be foolish not to at least ask

if another option was possible. Do not tell the Comptroller and Auditor General that the OPW is not charging commercial rent, however.

I am a bit confused about confidentiality. Deputy Aylward asked about the people who had work done. Were cheques paid to individuals or the company?

Ms Mary Higgins: Cheques are usually made out to the suppliers, upon being named by the applicant, but they are sent to the applicant to give to the suppliers. The cheques are all third-party cheques and there is nothing to connect us to the payment.

Chairman: Who is the third party?

Ms Mary Higgins: Fexco.

Chairman: It is like a bank draft.

Ms Mary Higgins: Yes.

Chairman: The person does not go in with a Caranua cheque and the person at the other end does not know it is a Caranua cheque. That is important.

The witnesses do not need to go through the report of the Comptroller and Auditor General now but on page 36 it mentions that An Bord Pleanála refused planning permission for a memorial to survivors and the Department was considering how best to progress the project. What is the update on that?

Mr. Seán Ó Foghlú: We have been exploring the option of a permanent exhibition. We are looking into whether it is feasible before we consult on it - it is not a proposal, as such. This is a difficult issue and an advisory group proposed a way forward only for planning to be turned down

Chairman: When was that?

Mr. Seán Ó Foghlú: It was in 2014.

Chairman: What is the explanation for the three-year delay?

Ms Catherine Hynes: The winning design was only suitable for a particular site, that is the Garden of Remembrance. We had an excellent memorial committee chaired by Sean Benton. After the planning process there was a final report, one of the suggestions in which was to hold negotiations with Dublin City Council to see if there were alternative sites but none was possible because of the fact that the original design was site-specific. The winning design followed a protracted international competition but the memorial committee considered that only one of the designs submitted was suitable to be built. There was no need for a second round and no other design was even ranked in second place. We considered running another international competition but it would have been another four-year process and we decided our energies would be better directed towards looking at alternatives. We looked at a permanent exhibition to tell the stories of survivors as a permanent memorial to what happened to people who lived in institutional care in Ireland. Our next step will be to see if the memorial committee would be interested in exploring this possibility.

Chairman: There is a long way to go.

Ms Catherine Hynes: Yes.

Chairman: It was said that four survivors were on the board of directors. It was also said that 61% of applicants had residency in Ireland so why are three of the four in question based in England?

Ms Mary Higgins: The Minister appoints them.

Chairman: If the majority of survivors are based in Ireland why is only one of them on the board of directors of Caranua?

Mr. Seán Ó Foghlú: It is because of the selections made by the previous Minister. We are in a process with the Public Appointments Service and the date for applications has passed. The process is under way to enable the service to advise the Minister on the next round of board membership. We expect to hear from the service in the near future.

Chairman: Would Mr. Ó Foghlú expect changes in the membership as a result of the new process?

Mr. Seán Ó Foghlú: I do not know. I do not know whether people have indicated whether they are willing to stay on. There is a process and the Public Appointments Service will provide the Minister with a list of names from among those who applied.

Chairman: How much is outstanding? The briefing note states that €110 million was yet to be realised. That is roughly where we are at. Some of that is outstanding for 15 years. As Accounting Officer, does Mr Ó Foghlú have an date for when he expects the issue to be closed?

Mr. Seán Ó Foghlú: It is not possible for me to have a definitive end date for the land transfers because we are working them through. Complex issues might remain to be addressed. However, the majority of the 11 outstanding properties are well advanced and we hope to have them over the line within the next year or so. There may be one which does not happen and there will have to be a cash contribution instead if it comes to that.

Chairman: Is that €110 million outstanding listed as an asset in the Department's balance sheet in the appropriation account or is it an intangible asset?

Mr. Seán Ó Foghlú: It is not. We provided an update note to the committee on this matter. It is not in Government procedures that we list those assets. In any case, we are not receiving those assets, some are transferring to other organisations.

Chairman: Not directly to the Department, but to, say, the local authority or the HSE.

Deputy Catherine Connolly: Can we get a list of the properties?

Chairman: Please send an update on the properties at least every three or six months, to come to this committee as a matter of course.

Mr. Seán Ó Foghlú: We have updated it on the indemnity agreement, we can also update on the 2009 offer.

Chairman: We are not asking for every month. We would like six-monthly updates, that is not unreasonable.

It has been a long day. We want to dispose of the financial statement for Caranua for 2014 and 2015, we will agree on that.

COMMITTEE OF PUBLIC ACCOUNTS

On behalf of the Committee of Public Accounts I sincerely thank everyone for their forbearance. It has been a long day, we are here since early this morning. I thank the witnesses from Caranua, the Department of Education and Skills, the Department of Public Expenditure and Reform and the Comptroller and Auditor General's office. I wish everyone a relaxing Easter.

The witnesses withdrew.

The committee adjourned at 5.25 p.m. until 9 a.m. on Thursday, 4 May 2017.