

# DÁIL ÉIREANN

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## AN COISTE UM CHUNTAIS PHOIBLÍ

## COMMITTEE OF PUBLIC ACCOUNTS

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*Dé Máirt, 23 Márta 2021*

*Tuesday, 23 March 2021*

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The Committee met at 9.30 a.m.

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### MEMBERS PRESENT:

Deputy Colm Burke,	Deputy Marc MacSharry,
Deputy Matt Carthy,	Deputy Paul McAuliffe,
Deputy Cormac Devlin,	Deputy Imelda Munster,
Deputy Alan Dillon,	Deputy Catherine Murphy,
Deputy Neasa Hourigan,	Deputy Verona Murphy.

DEPUTY BRIAN STANLEY IN THE CHAIR.

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

### **Business of Committee**

**Chairman:** Apologies have been received from Deputy Sherlock.

I welcome everybody to the meeting, which is taking place in the Dáil Chamber to enable members to attend in person while adhering to the public health guidelines. Some Deputies are appearing remotely from their offices within the precincts of Leinster House. This is due to the constitutional requirement that in order to participate in public meetings members must be physically present within the confines of the Parliament. I ask those who are attending remotely to confirm they are within the precincts to fulfil that constitutional requirement. We are joined by the Comptroller and Auditor General, Mr. Seamus McCarthy, as a permanent witness to the committee.

Members are reminded of the provisions of Standing Order 218 that the committee shall refrain from inquiring into the merits of a policy or policies of the Government or a Minister of the Government or the merits of the objectives of such policies. Members 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 Houses or an official either by name or in such a way as to make him or her identifiable.

The minutes of the meetings on 4 and 9 March have been circulated to members. Are the minutes agreed? Agreed. As previously agreed, the minutes will be published on the committee's webpage.

The next item of business on today's agenda is correspondence. We have a substantial amount to deal with. The Committee of Public Accounts has traditionally considered its correspondence in public session but due to Covid-19 restrictions, revised meeting arrangements have limited the committee's opportunities to meet in public. We have mainly used that time to fulfil our core role, which is to examine the accounts of public bodies that are audited by the Comptroller and Auditor General.

However, we have set aside time today to consider a number of items of correspondence. Decisions of the committee on items of correspondence that are not addressed at today's meetings are recorded in the minutes of the committee's meetings which are published on the Oireachtas website.

No. 381B is from Ms Eilish Hardiman, chief executive of Children's Health Ireland, dated 17 February 2021 providing information requested by the committee on non-compliant procurement. At our meeting on 25 February, we decided to note and publish this item. It was also agreed to hold it over for consideration in public. This item is flagged for discussion by Deputies Catherine Murphy and Carthy.

**Deputy Catherine Murphy:** It is quite difficult to get the context of this response. A few matters jumped out to me. One was the payment of €121,000 to the Combined Media company relating to the development, launching and management of the Children's Health Ireland jobs website. A further €83,000 was paid to Q4 Public Relations.

None of us expects the changes for children's health to come without a cost. We are trying

to keep a close eye on what we are spending and what we are getting for it. We heard recently from the oversight body for the procurement of the children's hospital that there is substantial slippage in the timeline. There may well be costs associated with things having to be upgraded while we are waiting for that to be completed. Some of these are network supports and specialised services that are being brought in.

Why does it need to spend €121,000 on the Children's Health Ireland jobs website which seems like a large amount of money with further money spent on public relations and communications? Those kinds of things jump out at me. It is understood that good IT systems are required, but the expectation is that those IT systems in the main will focus on clinical or operational issues. I am not fully *au fait* with why it needs to spend money on those two items. We need to expand on that further.

**Deputy Matt Carthy:** I concur with Deputy Catherine Murphy. I do not understand why an organisation such as Children's Health Ireland would be required to spend €90,000 in a year on a contract for a public relations company. We see this with a number of State agencies. While in the overall budgets these might seem like small amounts of money, why would a State agency that is charged with building a children's hospital and providing for children's health need to commission a stand-alone PR company to carry out its work?

The response from Children's Health Ireland outlines part of the tender process that was employed, but it does not outline the rationale as to why this was required in the first place. Similarly, there was a very large outlay of funding of in excess of €121,000 on the Combined Media company. We should follow up with a further letter to Children's Health Ireland requesting the rationale for tendering for outside companies to do work that I would have thought should be available within the public service.

**Deputy Marc MacSharry:** I agree with Deputies Carthy and Catherine Murphy on the public relations expenditure. I have no issue with the company, Q4 Public Relations, whose reputation precedes it. It is a very professional outfit, but why do we need it in the first place? We have in-house media and communications expertise in the Department of Health and the HSE. While I know that in the greater scheme of things it is a relatively small amount of money, there is a principle involved here. It is now the norm that however small a State agency or an arm of the State may be, as a matter of practice one of the PR companies is retained to advise.

Of the amounts of money that were spent, as outlined by Deputy Catherine Murphy, what proportion was used in preparation of personnel to appear before Oireachtas committees? I think that is in part what this money was used for. These people are brought in and told Deputy MacSharry will say this and Deputy Catherine Murphy will say that and they should say the other. I do not think that is a space we need to be in.

**Deputy Paul McAuliffe:** I often think that the provision of fees for communications services is demonised, particularly by politicians. I very much disagree with that. We have seen the importance of communications over recent months. My difficulty is with the retention of an external company for that service. I would rather see an in-house communications person ensuring that the communications are good. I agree with Deputy MacSharry that that should be about communicating and not accountability. There is a difference. Perhaps, the Comptroller and Auditor General can help us. It looks like the communications contract was initiated prior to the coming into existence of Children's Health Ireland, CHI. The use of the word "completed" confused me. Does it mean the contract ended in 2020 and there has been no contract for 2021?

In regard to the jobs website, the word “management” would imply that there is one or a number of people working on the site on a constant basis. I imagine that if one is advertising jobs on a regular basis that would be required, but, again, I would like to see that work being done in-house where there is greater governance and accountability. I ask Mr. McCarthy to clarify the word “completed” in regard to the contract and the word “management” in regard to the jobs website.

**Chairman:** We note the correspondence we have received and it will be published on the committee website, but members still have a number of questions. My own take is it that the two figures are fairly substantial. I will not revisit the points that have been made. The issues have been well covered by the four Deputies, but we do need to seek some further information on the matter. If members are happy with that, I will ask the clerk to write to Children’s Health Ireland seeking clarification around the points raised.

**Mr. Seamus McCarthy:** Will I respond to Deputy McAuliffe?

**Chairman:** Yes.

**Mr. Seamus McCarthy:** Members would, perhaps, want to be aware that this letter came from Children’s Health Ireland because I drew attention to a non-competitive procurement. This is a subset of all of the procurement that was undertaken by Children’s Health Ireland. In the letter it is explaining the circumstances that gave rise to the non-compliance and the steps that are being taken. Where it talks about “tendering completed”, it is talking about competitions that were undertaken to ensure that in future there would be compliance there.

In terms of the overall spend, this is a subset of what is being spent within Children’s Health Ireland. Some of the points that were made were about the expenses that are involved in the preparation of the hospital to occupy the new hospital and the amalgamation that is under way. There is provision for a significant spend in that area. My recollection is that it is of the order of €300 million. There may be an issue there that would be of interest to the committee such that it might want to call Children’s Health Ireland to appear before it to discuss with it the expenditure programmes it is undertaking as part of the preparation for moving to the new hospital.

**Deputy Catherine Murphy:** It is the context that is important. It is not just the children’s hospital. Blanchardstown hospital has opened its emergency unit for children. I am not sure what stage Tallaght hospital is at. We want to know that what we are spending, for example on IT systems, is in the context of that €300 million because they are obviously linked. It is the context of the spend in the two areas that have been raised in respect of which we need the information. It is in the overall context that we need to understand that spend.

In terms of the jobs website, there is an issue there in regard to job retention as much as anything else. I would like to hear what Children’s Health Ireland has to say on that as well because there will forever be a website encouraging people to apply for jobs if it cannot retain the people and if it cannot retain people, there is a reason for that too. There is a circular argument there. We need that context and we need to know how those three entities fit in; we also need to know what is the slippage and whether or not that slippage will impact on the need to spend money, for example, on upgrading things while we are waiting if it is not brought in on time. There is a range of issues that I think are important.

**Chairman:** We will ask the clerk to seek further information and we will publish correspondence 381B.

No. 393B is correspondence from Ms Anne Graham, chief executive, National Transport Authority, dated 23 February 2021 providing an update requested by the committee regarding the rail fleet procurement. At our meeting on 4 March we decided to note and publish this item. It was also decided to hold it over for consideration in public. This item is flagged for discussion by Deputy Catherine Murphy.

**Deputy Catherine Murphy:** These 41 rail carriages are incredibly important. I note there is some slippage in the delivery. There has been a significant problem with overcrowding and there was a delay in placing the order for these carriages. I am not sure if the order is fully placed at this stage. I apologise, I note the correspondence says some are likely to arrive mid-2022, with a full order of 41 to be completed by the end of 2022. Covid has impacted on that.

There is also a very large spend in relation to BusConnects. There are two pieces of correspondence.

**Chairman:** I suggest to the Deputy that we would deal with the correspondence regarding BusConnects separately. It might be more helpful if we dealt with it as a separate piece of correspondence. I ask the Deputy to confine her remarks to correspondence 393B.

**Deputy Catherine Murphy:** Okay. On correspondence 393B, this has been announced on several occasions. It is not at all clear where it fits into the national budget. For example, I could see it appearing again in the national development plan because it will be money that has been committed and not spent. The slippage in timeline is probably less likely to be a significant factor this year because of Covid, but it will become an issue next year. I do not think we have received a costing on these carriages. It would be useful to have that information because this is a pretty big spend.

**Chairman:** The rail cars about which the Deputy is concerned are being delivered on a phased basis up to late 2022.

**Deputy Catherine Murphy:** Yes, I am speaking about the 41 rail cars. We have been told the expected delivery timeline. It would be useful to know the cost. Essentially, what I want to know is when they will be paid.

**Chairman:** I ask Deputies who have spoken previously and still have a hand raised to take the signal down unless they wish to come back in again. I note Deputy McAuliffe's hand signal is still up. Does he wish to come back in?

We will publish this correspondence and seek information regarding the cost of the project.

No. 394B is correspondence also from Ms Anne Graham, chief executive, National Transport Authority, dated 23 February 2021 providing detailed information requested by the committee in relation to expenditure on the BusConnects programme. At our meeting on 4 March we decided to note and publish this item and to forward it to the correspondent who raised the matter. We also agreed to include the Department of Transport and the National Transport Authority, NTA, on our work programme. I understand the Department has not been before the committee since 2018. The Department is also responsible for the motor tax fund and the previous Committee of Public Accounts made recommendations relating to it. I will open the discussion to members who wish to speak to this item of correspondence regarding BusConnects.

**Deputy Catherine Murphy:** The public consultation aspect of many projects that are on the way at the moment, such as BusConnects, is not as satisfactory as it ought to be. That is due

to Covid and people not being able to get briefings and small maps and things like that. There will also be procurement issues. The issue of whether they are building in delays into tender projects in the context of the current stop-start nature of the construction sector is something about which I have concerns in terms of adding to the costs. I know that is probably more an issue for the Committee on Transport and Communication Networks, but this is a very sizeable project and there is reason for extra care to be taken. I think it would be quite useful to ask the Department and the NTA how they are managing construction projects and how they are tendered for in the context of Covid.

**Chairman:** Do any other members wish to come in on that item of correspondence? Okay. We will seek the further information to which Deputy Murphy referred.

No. 395 is correspondence from Mr. John Dollard, chief superintendent, An Garda Síochána, dated 23 February 2021. It is in response to further information requested by the committee in respect of the investigation relating to the Garda College at Templemore and the so-called Cabra account, which received quite a bit of coverage. As regards the European Anti-Fraud Office, OLAF, Mr. Dollard states that An Garda Síochána's only engagement with OLAF in relation to its investigation was to request that the names of those involved not be published as to do so may prejudice any possible criminal investigation. In regard to the Garda Síochána Ombudsman Commission, GSOC, investigation, the correspondence states that a Garda liaison officer has been appointed to assist GSOC with its inquiries. At our meeting on 4 March we decided to note and publish this item. It was also decided to hold it over for consideration in public. Several Deputies, including Deputy Carthy, have raised this issue. Does Deputy Carthy wish to speak on it?

**Deputy Matt Carthy:** This is part of what is becoming an all-too familiar pattern in terms of investigations and inquiries, particularly as they relate to An Garda Síochána. What happens is that an investigation or complaint is passed on to GSOC and then, for whatever length of time GSOC is investigating the matter, the gardaí, the Minister responsible and anybody else involved can say they cannot discuss the matter because it is a GSOC operational matter. When GSOC eventually compiles a report, the sting is taken out of the issue, so to speak, by the passage of time.

It is important that we remind ourselves that these are very significant and important issues relating to financial procedures at the Garda College at Templemore. We know that ongoing investigations are being carried out by GSOC. In its correspondence of 20 January 2020, it indicated it is close to a resolution, or at least its investigation is close to conclusion. We know from the correspondence from Chief Superintendent Dollard that OLAF has completed a summary of facts and submitted it to the Garda for comment. The only comment the Garda made was to request that the names of individuals not be included in any findings.

This is a matter of which the committee needs to keep abreast. I suggest that, if it is in order, we write to OLAF to inform it that the Committee of Public Accounts has an interest in this matter and would appreciate copies of any publications or findings it makes in respect of this case. I also ask that the secretariat include this item on our correspondence meeting in, say, late April, so that we can seek a further update from GSOC at that stage in respect of its deliberations.

**Chairman:** I thank Deputy Carthy. I wish to bring to the attention of members that I have just been notified of correspondence item No. 447, which arrived late. We will have it for our next meeting. I suggest that we wait and consider that item of correspondence and then decide



what to do. Is Deputy Carthy happy enough with that approach? It may provide some insight for the committee.

**Deputy Matt Carthy:** I am sorry; I do not have a copy of that item of correspondence. Who is it from?

**Chairman:** I do not have a copy of it either; I just have a one-line note on it. In the correspondence, OLAF advises that it has opened an investigation but is not in a position to provide further information “so as not to prejudice any potential follow-up at national level”. That is what it states in the correspondence. As neither I nor members have had sight of that correspondence, I suggest that we wait until we have seen it and then decide what we will do.

**Deputy Matt Carthy:** That is fine.

**Chairman:** We will try to get that correspondence circulated quickly.

The next three items of correspondence are from Horse Racing Ireland, HRI, and the Irish Horseracing Regulatory Board, IHRB. As they are related, I will address each of them before opening the floor to members.

The first of the three is correspondence item No. 396 B, from Mr. Brian Kavanagh, chief executive of Horse Racing Ireland, and dated 24 February. Mr. Kavanagh wishes to clarify information provided during our meeting with HRI on 23 February 2021. He believes his exchange with me regarding the provision of funding for CCTV at racecourses around the country could have given the incorrect impression that €9.1 million was allocated in the 2018 integrity services budget for CCTV when, in fact, €9.1 million represented the total budget. The allocation for CCTV systems was €60,000. Mr. Kavanagh goes on to say that midway through the year, the IHRB requested that the €60,000 be reallocated to the development of an online trainers licensing system, with the issue of CCTV funding to be revisited in future budgets. At our meeting on 4 March we decided to clarify this publicly. As well as holding it over for consideration in public, we also decided to request the IHRB to provide an information note regarding CCTV systems, including why the proposed systems were not installed at more than one racecourse. I will come to that response shortly.

The second item of the three is correspondence item No. 423. It too is from Mr. Brian Kavanagh, chief executive, Horse Racing Ireland. It is dated 4 March and provides follow-up information relating to 14 questions arising from our meeting with HRI on 23 February. At our meeting on 11 March we decided to note and publish this item.

The third and final related item is correspondence item No. 439 B. It is from Mr. Denis Egan, chief executive of the Irish Horseracing Regulatory Board, and is dated 11 March. It is the response I mentioned to our correspondence to IHRB regarding CCTV installations at racecourses. Mr. Egan states that €60,000 was originally allocated in the IHRB’s budget to provide CCTV at four racecourses but that the HRI took over the project in March 2018 and the funds were then transferred to its budget. However, the project did not commence in 2018 and the money went back to the IHRB. This money is doing the rounds. Mr. Egan states that money - a total of €80,000 this time - was again allocated for CCTV systems in the HRI budget of 2019. However, the project had not started by July 2019, so the money again went back to the IHRB. The correspondence goes on to give some detail about the online licensing system that was prioritised over CCTV systems, including the IHRB’s request that the €80,000 be allocated to online licensing and the board of HRI’s agreement to that request. Despite being requested of

the IHRB, though, the current position regarding the installation of CCTV systems is not addressed. I propose that we note and publish this item and reiterate the committee's request to the IHRB to clarify the current situation regarding the roll-out of CCTV systems at racecourses around the country and to include budget allocations and timelines for installation.

I am baffled. This project was given the go-ahead in 2018, but here we are heading into the middle of 2021 and it is still not off the blocks. We need some straight answers. I will open the discussion to the floor. Deputies Carthy, Hourigan, Catherine Murphy and Munster have indicated.

**Deputy Imelda Munster:** I agree with the Chairman. There are a hell of a lot of unanswered questions. When HRI appeared before the committee, it outlined the situation as regards funding of CCTV and indicated that, following installation at a single racecourse stables in 2017, funding had been provided to extend the installation to all courses. We were made aware that, at the start of 2018, a change in the laboratory that was being used by the regulatory board had seen an increase of, I believe, more than 400% in the number of positive tests. Six months later, though, the regulatory board sought to divert the funds away from the installation of CCTV to an online integrity portal.

In fairness, HRI has been forthcoming with information pertaining to itself, but its relationship with the regulatory board is an odd one because it seems to obscure the situation. I suggest that the committee write directly to the regulatory board requesting a briefing on the proposed installation of CCTV from 2017 onwards and to include in that briefing detailed notes on changes in budget allocations. I also suggest that we request a note from the regulatory board on the integrity portal or whatever it is - the board referred to it as being an online trainers licensing system - so that we might get a better understanding of it. HRI indicated that the regulatory board was the expert in this area and had a better understanding of how the money would be spent, but it seems very odd. The relationship between the two bodies is obscuring information. We need these questions answered.

**Deputy Catherine Murphy:** The context is that just short of €80 million, which comes from the gambling tax, goes to HRI. It must be acknowledged that this is an extremely valuable sector. A week is a long time in politics. Compare how negative the situation was a few weeks ago with how positive it was last week. All credit goes to Ms Rachael Blackmore for lifting many people's spirits.

We are discussing the integrity fund. We need to protect that investment and the large number of people working in this sector. The sector must be above reproach, and the money for CCTV at stables is meant for that purpose. Even though the funding was allocated in 2018, CCTV had only been installed at the stables of only one racecourse when we met HRI this year. There is still confusion about what the expectation was exactly when the money was allocated. When will every racecourse be fully covered by CCTV?

I am uneasy with the crossover between the two boards. Three people from the regulatory board are on the board of HRI. I am concerned about the lack of separation and whether that was done by design. It is important that we have clarity about this aspect.

The situation with the allocation is not clear. As the Chairman stated, the money has gone back and forth before being diverted. Installing CCTV at 26 racecourses is not an onerous project and I do not know why it has not been done. I do not believe that all of the €9.1 million allocation was intended for CCTV - it would be expensive CCTV if it was - but I remain



unclear as to how much of that money was intended for CCTV, how many racecourses were to be covered by it and what the programme was. We must have clarity on this. Having some of the other information that was provided in the correspondence is useful, but we have concerns about this matter in particular.

**Chairman:** According to the information we have been given to date, only one of the 26 racecourses has CCTV installed. Another will have it installed. The €9.1 million was allocated in 2018. If a tender was sought for the roll-out of CCTV, which we know is needed, given that certain incidents have occurred in stable yards at racecourses, a company could have been employed for a portion of that €9.1 million to install CCTV systems across the 25 or 26 racecourses in the State. We need clarification.

**Deputy Matt Carthy:** I concur with the Chairman and Deputies Munster and Catherine Murphy on the CCTV issue. As part of our work programme, have we not agreed that the IHRB will appear before the committee?

**Chairman:** Yes. It is on the list.

**Deputy Matt Carthy:** That meeting will be a useful exercise. I share Deputy Catherine Murphy's concerns that the racing authority and regulatory board seem to have an intertwined relationship. I am not sure that that is necessarily healthy. This is not to cast aspersions or undermine the successes that the Deputy and others have mentioned. I would like to be associated with the words of congratulation to Ms Rachael Blackmore. My only regret is that I did not back her, but that is just the way things go.

I will refer specifically to correspondence No. 423B from HRI, which contained responses to questions that we raised. Sometimes, people infer that when committees like ours question how public money is spent, we are attacking the principle of supporting the horse racing sector. This sector provides a valuable contribution to our rural economy but could it do more for more people?

Members will recall when we had Horse Racing Ireland before the committee and I questioned its decision, which essentially ensures that the State funding or the taxpayers' money that is invested is redistributed through prize money. In the year in that we are discussing, which this correspondence deals with, the State's contribution to HRI was €67 million and the prize money awarded that year was €66 million but when I put it to HRI that this was consolidating a small number of top trainers in particular, it disputed that and argued that the money had trickled down, so that was trickle-down economics at its best, and that much more outside of the official figures went to breeders across the country. In this response, it shows that of that prize money of €66 million, a sum of €385,000 went to breeders. Clearly, it is not the case that breeders, particularly smaller breeders, get a substantial part of the funding. Clearly, there are some sectors within the horse racing family that are less profitable or benefit less than others. The point-to-point racing sector, which we correctly hear is the breeding ground for future successes, received circa €900,000 per annum but, again, that is from a prize fund of €66 million in 2019. Consequently, I propose that we write to HRI. I also propose that we write to the Department of Agriculture, Food and the Marine to ask it whether it is satisfied that the prize money and prize fund distribution are the best way to redistribute State funds to have the maximum beneficial impact on rural economies and on the future growth of the sector. We should ask the Department whether, in its view the prize money and prize fund distribution are the best way to ensure that as many people as possible receive a benefit and that as many communities as possible receive an economic benefit from the substantial State contribution that is invested in the

sector. That is my formal proposal.

**Deputy Verona Murphy:** I agree and concur with all my colleagues and request that the committee writes to HRI. I ask the clerk to the committee to clarify the following. I did ask Mr. Kavanagh if we could have a copy of his submission to the Department on point-to-point racing because, as one can see, a sum of €900,000 was paid out for point-to-point prize winning. I questioned where would the money go or be spent if point-to-point races were not run?

Equally, we now see a situation arising where our point-to-point entrants are going elsewhere. They should be racing in this State but we are not open because we have no further plan to get us out of level 5. The problem now is that these horses are being brought to the UK to take part in point-to-point races. I did ask to see the submission that was made, as they are the representatives for the horse industry.

Equally, we asked about salaries. There is very little transparency about salaries in the accounts and HRI used something it states it submitted to the Department outlining that it has some form of an amnesty. My understanding, and maybe the Comptroller and Auditor General will clarify this, was that this was only pertinent because it was making out there was some commercial sensitivity. It is the only organisation. Again, my understanding was that it was to be provided to the board and back to the Committee of Public Accounts as to how the salaries were paid, and the breakdown of those.

**Chairman:** I will ask the Comptroller and Auditor General to respond.

**Mr. Seamus McCarthy:** Yes, they do have a derogation. My understanding was that it was on the grounds of commercial sensitivity. In fact, they have actually provided, in a document here, the banding that would normally be included in the financial statements. So, I do not really understand how, if it was commercially sensitive and they have an exclusion, that they are able to provide the information. I would see no reason that they would not have it every year in the financial statements.

**Chairman:** Okay.

**Deputy Verona Murphy:** We should ask them if the derogation is based on commercial sensitivity. One can make the argument that there is not anything commercially sensitive. To whom is it commercially sensitive?

**Mr. Seamus McCarthy:** I think that is exactly right. The chief executive salary was given. From the banding information, that is provided in the correspondence to the committee, it seems to me quite difficult to pick out who the others would be and so I do not really understand the explanation around commercial sensitivity. It might be something that the committee would take up with the Department of Agriculture, Food and the Marine as well, since they were the ones who gave this exemption.

**Deputy Verona Murphy:** Yes, I agree. That is what we should do. The greater the transparency, the better the integrity of the sector but that has been called into question. The sector is worth billions of euro to the economy and one can see that from the results from Cheltenham last week. I concur with everybody's congratulations to Rachael Blackmore and all of the trainers. It is a very successful industry and we would like to keep its integrity levels high but all of the things relating to the CCTV footage have called that into question. That should be a priority. Trainers are licensed. There are no impediments from not having this on an IT system but the integrity of the sector is in question when we do not have the CCTV footage where it should be.

Again, I ask about the submissions. Maybe the clerk can confirm that we did not request them but I was under the impression that I did make a request but the details have not come back in any correspondence.

**Chairman:** We will seek those. There is a proposal that the committee writes to the Department of Agriculture, Food and the Marine about the prize money. When doing so we can also raise the issue of salaries. Commercial sensitivity normally kicks in where a particular entity has competitors but I do not see any competitors.

**Deputy Verona Murphy:** Maybe we should the Department to explain its rationale for the derogation.

**Chairman:** We will seek that.

**Deputy Verona Murphy:** If there is a reason then well and good but if there is not, there should be transparency.

**Chairman:** It is also proposed that we write to the IHRB and Horse Racing Ireland seeking clarification on the other points. Are members happy with that?

**Deputy Verona Murphy:** Yes.

**Deputy Catherine Murphy:** Does that include the institutional arrangements and the crossover?

**Chairman:** The crossovers and the overlap.

**Mr. Seamus McCarthy:** Just on the overlap, the legislation sets out the composition of the board of Horse Racing Ireland and there is a requirement. Similarly, there is legislation explaining what the directorships of IHRB will be. The Turf Club is named as nominating to both bodies so that may be the source of the connections that the Deputy is seeing.

**Deputy Catherine Murphy:** Is it best practice? Perhaps we will have to recommend in a report that even the optics of it are not right, never mind the functioning of it. We have seen how the CCTV initiative went backwards and forwards and it was not at all clear who had and was taking responsibility. If one is protecting the very large investment and the number of people who are employed in the sector, then it is important to get the institutional arrangements right. I would not want that to be undermined and if there is a requirement for a legislative change when we look at it, then we should recommend that.

**Chairman:** Can the Comptroller and Auditor General tell me how many members of the Turf Club are on the board?

**Mr. Seamus McCarthy:** I think there are three overlapping members. So, three members who are directors of IHRB are also directors of HRI, which is significant, I think, in the overall scheme of things. There is some information in the letter from IHRB in relation to the cost of CCTV. It states that €60,000 was provided in the 2018 budget to install CCTV at four racecourses and then the figure in the following year was €80,000. So, presumably, €15,000 to €20,000 is the scale of expenditure, one is talking per racecourse, which does not seem like a huge budget.

**Deputy Catherine Murphy:** And yet we still only have one.

**Deputy Verona Murphy:** That would mean there will be a significant delay before all of the racecourses are done. What is required is a level playing field. I am talking about there being a level playing field for every trainer, jockey and everyone involved in the industry. The integrity of the industry should be upheld. That is where the money should be spent. It should not be done piecemeal; it should be implemented immediately.

**Chairman:** Given the fact that €9.1 million was allocated-----

**Deputy Verona Murphy:** I understand that is not just for the CCTV-----

**Chairman:** I understand that.

**Deputy Verona Murphy:** -----but a very small portion of that is being spent on something that upholds the integrity of the sector.

**Chairman:** Given that we are talking about €25,000 per racecourse, working from that figure, all the racecourses could be done for a very small portion of the €9.1 million. Three years have passed and it has not happened. We will seek clarification on that matter, the letter to the Department on the issue raised by Deputy Carthy, namely, the trickle-down effect of the prize money, and also the point regarding the submission from Mr. Kavanagh.

No. 398 from Mr. Mark Griffin, Secretary General of the Department of the Environment, Climate and Communications, dated 26 February 2021, provides a great deal of information arising from our meeting of 22 January 2021. It includes notes on the expenditure on external services during the procurement of the national broadband plan; RTÉ's implementation of the Eversheds Sutherland report; annual expenditure and outputs on energy upgrade schemes since 2017; guidance issued by the National Cyber Security Centre to the health sector; the national retrofit scheme; the €8.6 million spent by EirGrid under selling and advertising in 2019; television licence compliance; and the use of temporary CCTV cameras to reduce illegal dumping.

At our meeting on 4 March, we decided to note and publish this correspondence and hold it over for consideration in public. We also agreed to request RTÉ to provide an update regarding the Eversheds Sutherland report and clarification on the 78 employment contracts and whether they were backdated to when the individuals started working with RTÉ. We have added RTÉ and the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media to the work programme, and the secretariat is inquiring about availability for our first meeting after the Easter recess on 20 April.

The matter is flagged for discussion by Deputy Catherine Murphy and Deputy Carthy.

**Deputy Catherine Murphy:** There are a few issues I wish to raise on this correspondence. I thank the Secretary General for his reply; it is most comprehensive. There is some very useful information in it.

To pick up on the issue of the national broadband plan, we know that an attempt is being made to reduce costs by using metropolitan area networks, MANs, and existing poles from Eircom. Analysys Mason is one of the entities that provided technical guidance. I recall that it produced a report, and when representatives appeared before the committee, that report was a year old. When it was published, the upshot of the report was that we were told that the use of these facilities would halve the cost of broadband.

We know that the national broadband plan is about the number of houses that are passed.

However, the number of premises that are connected will be determined, in some cases, by the cost of broadband. In keeping an eye on this project, we must ask the Department for an update on analysis that has been done. At the point that this Analysys Mason report was provided, Ireland had the most expensive broadband in Europe. It is absolutely right that existing facilities are leveraged to reduce the cost, but we need to know if the Department is keeping an eye on the end user cost because that will determine the entities that run it. We are told that any benefit will come back to the State. It is important, therefore, that we keep an eye on that.

On the Eversheds Sutherland report on RTE, we wrote to RTE seeking a response. I have not seen a clarification in respect of the 78 people who had accepted permanent contracts of employment, as opposed to permanent contracts for services. There is no doubt that an organisation such as RTE will need to have people on contracts for services, given the nature of the business. However, there was a cohort of people that should have been on staff or on contracts of employment.

This issue really matters because it is an example of a practice that will be taking place elsewhere. RTE has formally offered those people contracts but we must ensure we receive a proper response on whether the contracts will apply retrospectively. It can make a sizeable difference to people, for example, in respect of pension entitlements later on, taxation forgone by Revenue, and also in respect of the number of years of employment completed, should a person be made redundant. Therefore, it is most important that we stick with it, watch out for a response and do not let the matter slip.

On the Eircode system, we have heard about public awareness. We have been told that public awareness is being monitored and it is clear that there are public awareness targets. However, do we know if there is any evidence of usage of this pretty expensive system? I would have thought that outcomes would have been sought in relation to that. The system is a valuable one, for example, for the National Ambulance Service, but are people generally using it outside of that? The design of the system was previously heavily criticised in respect of how it might be used.

On the issue of CCTV and illegal dumping, the Data Protection Commission is engaging with the City and County Management Association. Very often, people have expectations that CCTV will sort everything out. Local authorities have a scheme in place to tackle the problem. I do not know whether it is active in each local authority area at this point. However, the Data Protection Commission has a problem with the scheme, which means that it cannot be used. There seems to be something odd about us providing grants for a scheme on the one side and on the other side an entity of the State having concerns, or more than that, about it being used. What are the circumstances that allow CCTV to be used legally? Are we spending money on grants that are not going to provide a return on that investment and the investment of community time because it is down to individuals? There is matching funding for a dumping initiative, if I remember rightly. While the initiative might be valuable, if it cannot be used, we must question the value of it. We must also ask what needs to be put in place for the Data Protection Commission in respect of who can access the information to make the scheme an active one. Those are the main issues I wish to raise.

**Deputy Imelda Munster:** The committee previously expressed disappointment that the Eversheds Sutherland report was not published and that we only received it in summary format. I understand that RTE will appear before the committee in the next couple of weeks. Could we write and ask it to publish that report in full in advance of appearing before us, and if it could do so now?



I also find it strange that RTÉ only published information about the normalisation of contracts in response to correspondence from the committee when in fact it had committed to resolving it by early 2019. Can we ask for clarity as to whether the majority of those workers had their situations normalised at this stage and if they were compensated for years previous to that?

I suggest we write to the National Union of Journalists, NUJ, to seek its input as to whether it believes the situation has been fully resolved and how it feels the resolution process played out. We are looking at bogus self-employment in the next couple of weeks. There seems to be a huge difference between how workers on one side of the spectrum are treated with regard to their social protection and how workers or big stars on the other side of the spectrum are treated within RTÉ. As the national broadcaster, that would illustrate to me quite starkly how ordinary workers in this State have been treated versus high earners.

Could we write to the NUJ to ask it about this issue? Can we also ask RTÉ to publish that report in full in advance of appearing before the committee?

**Chairman:** I believe that 157 contractors were highlighted in that Eversheds Sutherland report. RTÉ advised that 81 had been offered contracts of employment as opposed to contracts of service and 78 had formally accepted at that point. That is the only information we have to date. We can seek that information for the Deputy, however.

**Deputy Imelda Munster:** Please, yes.

**Chairman:** I call Deputy Carthy.

**Deputy Matt Carthy:** I have nothing to add.

**Chairman:** Are any other Deputies indicating? Everyone else is happy enough with it.

I will make a couple of points regarding the report from the Secretary General, Mr. Mark Griffin. I must say it is very comprehensive. A study is being carried out regarding the potential use of the Lough Ree and Shannonbridge power plants. The just transition commissioner, Mr. Kieran Mulvey, requested a study be undertaken, according to the correspondence from the Secretary General. It sets out that a feasibility study into the options for the future use of the existing infrastructure in west Offaly and Lough Ree has been undertaken over recent months. Members will remember and note those two power plants ceased operations earlier this year. The question, and the context in which I raised this with Mr. Griffin on the day he appeared before the committee, is that they are located strategically on the national grid in an area where large land banks are to be used for solar panels and sensitively located wind turbines. I stress the words “sensitively located”. They are on fairly extensive sites which could be used for biomass or biogas. We note the group that has undertaken the work is expected to conclude shortly. I ask the clerk to the committee to request that we be kept abreast by the Department and the Secretary General, Mr. Griffin, of any progress. There is huge concern in the midlands that those two sites do not become land with plant rusting away on them. They are in a very strategic location on the grid to be brought into future use.

The other issue I wish to raise is regarding the CCTV cameras, which has been alluded to already. From speaking to local authorities and from having raised the issue with Mr. Griffin when the Department appeared before the committee, my understanding is that the legislation must be changed to facilitate the use of CCTV to try to counter illegal dumping, which is a problem in my constituency of Laois–Offaly. I am sure it is a problem in every other constituency throughout the country, and it is not getting better. Local authorities were using cameras,

and it was possible to move them from one location to another. The Data Protection Commission intervened and said they must stop because there is a question mark over legislation and the legalities of all this, and legislation must be framed for it. I ask that we send a note to the Secretary General of the Department asking that the legislation be brought forward to the Dáil as soon as possible. It is a very real problem.

**Deputy Cormac Devlin:** In his correspondence, the Secretary General, Mr. Griffin, mentions that a value for money review of the Eircode system will be conducted at some point this year. Can the committee be furnished with that review once it is complete? Can we examine it and bring the Department back in at some point?

**Chairman:** We can seek that.

**Deputy Colm Burke:** It is important when writing to the Department about legislation for the use of CCTV that we also seek a timeframe. There is no point in saying we want the Department to bring forward legislation. We should seek for it to confirm to us when it will bring forward the draft legislation rather than writing the same letter again this time next year.

**Chairman:** Mr. Griffin sets out in his correspondence that the Department is engaging with the County and City Management Association. It states, “The Department of the Environment, Climate and Communications is working on the draft heads of a Circular Economy Bill, with a view to underpinning measures promoting the development of a circular economy.” It goes on to say, “This could help to ensure that the processing of personal data may be carried out by local authorities tasked with enforcing litter and waste law”. The only concern I have, on which we should seek an update, as I mentioned earlier, is that it is in that larger legislation which may take a long time to come. This is a real issue out there now, however

**Deputy Colm Burke:** Absolutely.

**Chairman:** I am sure Deputy Burke has it in his constituency in Cork-----

**Deputy Colm Burke:** Absolutely, yes.

**Chairman:** -----the same as the rest of us have it. My concern, which I am sure Deputy Burke also has, is that this legislation may take some time. Meanwhile, people are dumping illegally on a commercial scale in many parts of the country and the local authorities basically have their hands tied behind their backs trying to deal with it. We will send a letter to the Secretary General asking for it be expedited, but also for a timeline for it to come before the Dáil. Is the Deputy happy enough with that?

**Deputy Colm Burke:** Absolutely. I thank the Chairman.

**Chairman:** Everyone else is happy. We will seek the information that has been requested here regarding the various items, those being the national broadband plan, the letters to RTE and the NUJ, as suggested by Deputy Munster, and the value for money issue raised by Deputy Devlin regarding the Eircode system. Are Deputies okay with that?

**Deputy Catherine Murphy:** When we ask for the information on the national broadband plan, we might ask the Department to outline what measurements it has for affordability of broadband. We know the initiatives it is taking regarding the use of metropolitan area networks, and that is fine. It is the end user that matters, however, and that is what the Analysys Mason report produced. Can we ask the Department what exactly it is measuring with regard to the

Eircode system? Is it public awareness or public use? Public use really is the optimum of what we should be measuring rather than just awareness.

**Chairman:** There was a very vague answer on that. If we look for what uptake and use there has been in that regard, would the Deputy be happy with that?

**Deputy Catherine Murphy:** Yes, that is fine.

**Chairman:** No. 407B, dated 2 March, is from Mr. Niall Cody, chairman of the Revenue Commissioners, providing information requested by the committee regarding the Revenue's use of data access requests under the Communications (Retention of Data) Act 2011.

It states that, on the advice of the Attorney General, Revenue has not made any disclosure requests to communications service providers since 2018, but that this was as a result of legal proceedings rather than GDPR legislation. It also states that the Department of Justice is working on a Bill to replace the Act, which will take account of the recent Supreme Court referral to the Court of Justice of the European Union and other relevant rulings. It goes on to say that Revenue continues to investigate all forms of serious tax and duty offences using the wide range of powers available to it. At our meeting of 11 March, we decided to note and publish this item of correspondence.

Deputies will remember that what is being referred in the context of the CJEU case is the murder case involving Mr. Dwyer and mobile phone data in that case. Deputy Catherine Murphy wishes to speak about this item.

**Deputy Catherine Murphy:** It is back to waiting for legislation. I think we should send this correspondence to the Joint Committee on Justice. It is useful, and it is expanding on the understanding of the implications of that legislation. This goes beyond criminal investigations, and impinges on organisations such as the Revenue as well. If we do that, it would be a worthwhile initiative. This feeds into the point made by Deputy Colm Burke regarding seeking a timeline for the legislation because it has been promised for some time and it is an urgent.

**Chairman:** We will have that correspondence forwarded to the Joint Committee on Justice.

The next correspondence is No. 410B, dated 2 March, from Ms Mary Harney, chancellor, University of Limerick, UL, providing information requested by the committee concerning a protected disclosure, which members will recall was brought to the attention of the committee by a correspondent who alleged that misleading evidence was provided to the previous committee by a delegation from UL in January 2019. At our meeting of 11 March, we decided to note and publish this item and advise the correspondent who raised the matter accordingly.

As it is not addressed in the response from UL, we also agreed to request that the university confirm whether the protected disclosure referred to included the specific matter of information provided to the committee on 24 January 2019, and if so, what was the outcome of that aspect of the investigation. This item is flagged for discussion by Deputy Catherine Murphy.

**Deputy Catherine Murphy:** This issue was back and forth during the previous committee's tenure. The most important aspect is probably that our treatment of whistle-blowers is problematic. We must ensure that people who bring information to our attention can continue to work without sanction. I do not know if that is obvious at this point. It is probably a general point rather than a specific one regarding this situation, and it is going to keep coming up.

**Chairman:** We are due to have representatives from UL in and that is in our work programme. There may be an opportunity then to address some of these points. I call Deputy MacSharry.

**Deputy Marc MacSharry:** I agree with Deputy Murphy. I am not happy with the response from UL at all. Regarding the representatives from the university appearing before the committee, I want to ensure that the invitation in that regard is all-encompassing. I state that because we want to discuss a series of issues not dealt with adequately as a result of the work of the previous Committee of Public Accounts. It was even suggested that the Garda fraud squad be requested to look at this. I made such a formal request previously to the then president or chancellor of the university, or whatever position it was at the time. The answer I got was that he would take that under advisement. I certainly felt that a cursory look at the situation by the Garda was necessary, at a minimum, such was the material available to us. We will want to go over that ground and I am conscious that we have these new Standing Orders now, which are for our benefit. I want to ensure, therefore, that whatever we have to say is covered, and that the request, for example, would be something like, "Dear UL, we want to discuss everything, yours sincerely". The subject matter of the invitation is important in ensuring we can cover everything.

On protective disclosures generally, the system is totally stacked. I happily advise anyone thinking of issuing a protected disclosure to not do so in the current environment, because he or she will be thrown under the bus, penalised and subject to different treatment. Outwardly, the situation will be dressed up as being one which is open, where people are encouraged to come forward and there is a desire to improve, and all that kind of stuff. There is one proviso, however, and that is it does not make the system or the organisation look bad. That is the problem with the current situation. I refer to the idea of farming such matters out to a senior counsel, who is picked, and the terms of reference then be determined by people in-house in an organisation or in a Department or whatever. I refer to all the vested interests who do not want a negative outlook on a Department or agency or a portion of a Department or agency.

I do not know if that is work for this committee, the Joint Committee on Justice or other committees, but we must start from scratch regarding protected disclosures, protecting whistleblowers and ensuring that what we have seen time and time again, such as in the case of Maurice McCabe, for example, who was very high profile, does not happen. All of us, as Deputies and members of this committee, have seen many examples of people who have not ended up as part of a "Prime Time Investigates" programme, but for all the world have suffered comparable discrimination and penalisation through, in effect, trying to improve their workplaces and make them fairer and better for society.

**Deputy Catherine Murphy:** I would like to make a brief point.

**Chairman:** Go ahead, briefly.

**Deputy Catherine Murphy:** I am curious as to whether this is something ever sought by the Comptroller and Auditor General, not within the context of accounts, obviously, but people often bring forward information. Is the Comptroller and Auditor General made aware of such protected disclosures? There would also be a value in this committee writing to each Department and asking how many protected disclosures they have had. It would merit some attention. Not every protected disclosure will be found to be correct, but people are really putting their heads above the parapet. We must then interrogate whether those people who have brought protected disclosures forward are still in the jobs they were in before bringing forward infor-

mation, which may have been of value in changing a workplace culture. I refer to bringing to attention of the Department how such issues have been dealt with and whether that has been done internally or externally.

Those are things we could meaningfully do as a committee, because this matter comes up repeatedly. It is a changing culture with respect to whistle-blowers and such actions being seen as a valuable compliance initiative. We must ensure that people are not being discouraged from coming forward because there have been so many examples of people being thrown under a bus as a result, as Deputy MacSharry said. There have been too many examples of that happening.

**Chairman:** I ask the Comptroller and Auditor General to address that issue.

**Mr. Seamus McCarthy:** We certainly would inquire regarding matters that had been brought to attention by whistle-blowers. There is a requirement on all public bodies to publish an annual report explaining the number of reports received from whistle-blowers and explaining how those reports were dealt with. Where a matter reported by a whistle-blower relates to something of a financial impropriety, let us say, we would certainly want to know the substance of that report. Regarding any such reports, we would want to see that there was evidence that those matters had been dealt with. What we would not really be in a position to do is to look at what has happened to the whistle-blower. We would certainly expect to see that there are protections in place in such matters and that no penalty has been imposed on somebody for coming forward in good faith. It is not really something I think that we can get into directly.

**Chairman:** Where there is evidence of a body bearing down or treating a whistleblower unfairly, maybe the justice committee could examine that too. That would be quite a serious matter if that happened.

We have University of Limerick coming in later in for a hearing. Maybe we could take up some of those points with it. Meanwhile, we will note and publish the document here. Is that agreed?

**Deputy Catherine Murphy:** We should write to each Department.

**Chairman:** We will write to all 14 Departments requesting the information regarding the number of protected disclosures. Is that agreed? Agreed.

The next item of correspondence, No. 418B, from Gillian Gilleran on behalf of the Secretary General of the Department of Justice, dated 3 March 2021, providing information requested by the committee arising from the meetings with the Department of Justice on 9 and 10 December 2020.

In the Department's initial response of 7 January 2021, there were two questions outstanding, as the Department stated that it awaited information from the State Claims Agency. Responses have now been provided to the two questions. At our meeting on 11 March, we decided to note and publish this item.

Deputy Catherine Murphy has flagged this item.

**Deputy Catherine Murphy:** The response does not contain any information on costs for awards or legal fees. We should request that information.

**Chairman:** Okay. Does any other member wish to come in on that?



**Deputy Imelda Munster:** The bulk of the correspondence actually just gives the technical details of how many cases of whistleblowers there were and how the Department has dealt with them. I know we have dealt with the allegations arising from cases when we had the Department of Justice and the Irish Prison Service before the committee.

Sometimes, however, we lose sight of the effect that being a whistleblower can have on an individual. The Department actually seems to paint a rosy picture of how whistleblowers are treated by it. I recently heard Mr. Noel McGree speak about his absolutely harrowing treatment as a whistleblower in the Irish Prison Service. Equally, there is a concern about the ongoing personal consequences years later.

If it is in order, I would like if the committee invited Mr. Noel McGree to come before us at some stage to outline his experience. Could that be added to the agenda for the next time the committee reviews its workplan? It would be of benefit to us just to hear what it feels like and the consequences of being a whistleblower, given what was said a couple of minutes ago about the previous correspondence.

**Chairman:** Mr. Noel McGree is anxious to come before the committee and he has discussed that with me a number of times. He seems to have had encountered many difficulties. It would be worthwhile exploring that. We can check with him as to whether he is still willing to appear before the committee. We can put it on the work programme if the committee wishes.

**Deputy Marc MacSharry:** Hear, hear.

**Chairman:** We will look for that.

The next item of correspondence, No. 421B, from Ms Rachel Downes, CEO, Caranua, dated 4 March 2021, responding to our request for information on behalf of two survivors on their cases. In her correspondence, Ms Downes accepts that the committee has obtained the consent of the survivors for this purpose. She also notes that the committee agreed that correspondence received from survivors would be provided to Caranua for a reply but that Caranua has not yet been provided with a copy of the correspondence referred to.

While Caranua is expected to wind-up tomorrow, 24 March, we will expect a response. At our meeting of 11 March, we decided to note and publish this item.

Deputy Munster mentioned at a previous meeting that she had correspondence on this matter.

**Deputy Imelda Munster:** I would be shocked by the tone of the communication that we received had we not dealt with Caranua before in the committee. There are a couple of oversights in the correspondence that I wanted to flag.

Ms Downes in her correspondence highlighted that she never contended that the committee did not have the permission of the two survivors to discuss their cases. We knew fine well, however, that at least one of the cases had emailed Caranua prior to the committee meeting giving permission for their case to be discussed.

The correspondence made reference to the committee not raising specific points of issue relating to that case. That case is in the public domain. Even when we flagged it previously with Caranua, after the meeting it contacted those individuals. It knew fine well who those individuals were. While it is good it corresponded with them, the survivors themselves had

been at pains trying to engage with Caranua. Until it was raised at the committee, they had no satisfaction whatsoever.

There are still outstanding concerns. I have communicated to the committee secretariat. Caranua can expect to receive it shortly. I look forward to it receiving a response from Caranua.

**Deputy Catherine Murphy:** Has Caranua wound up at this point? My understanding was legislation from Department of Education was required. I do not recall that having happened.

**Chairman:** The information the secretariat has is that it is winding up tomorrow, 24 March.

**Mr. Seamus McCarthy:** The current board is finishing its term tomorrow but a new board will have to be appointed. It has not wound up. There are no operations and all the staff, I think, are finishing today.

**Deputy Catherine Murphy:** Were any residual funds to go to Department of Education?

**Mr. Seamus McCarthy:** They will be managed by the Department of Education.

**Deputy Catherine Murphy:** I do not expect there to be an awful lot, if any.

**Mr. Seamus McCarthy:** Very little. I have signed the 2020 account. I cannot really disclose the figures but it is a small sum at this stage.

**Deputy Catherine Murphy:** How does it exist if there is no staff? Is it there as an entity?

**Mr. Seamus McCarthy:** There is a board. There are assets and liabilities. Presumably, the Department will have to service any executive functions that have to be performed.

**Deputy Catherine Murphy:** What is required to wind it up?

**Mr. Seamus McCarthy:** Legislation.

**Deputy Catherine Murphy:** Have we been promised that?

**Mr. Seamus McCarthy:** Yes. My understanding is that it is likely to be later in the year with six to nine months to pass the legislation.

**Chairman:** Is it the case that the new board will provide some level of oversight but the Department will provide the operational part of it?

**Mr. Seamus McCarthy:** That is how I understand it.

**Chairman:** The amount of money remaining is small.

**Mr. Seamus McCarthy:** Yes. It is quite small.

**Deputy Imelda Munster:** Is the Comptroller and Auditor General aware of the particular cases which are outstanding and have never been addressed fully? Where will they stand now? Will they be left in limbo?

**Mr. Seamus McCarthy:** I cannot say. I am not familiar with the details of the individual cases.

**Chairman:** If there is a new board, it is up to it to ensure that the outstanding cases are

brought to a conclusion. There was supposed to be some work in train on those two cases. It would be up to the new board. It would oversee it with the Department of Education. The Department would presumably provide services and money required to wrap the cases up. Our next engagement regarding this will be with the Department of Education.

**Deputy Matt Carthy:** Our interaction with Caranua has been one of the more bizarre and unpleasant experiences of this committee. It was very surprising. Its approach to this committee leaves a lot to be desired. The tone of the interaction at the committee hearing and in Caranua's written correspondence is unlike anything we have received in my time on this committee. It is important for me to put that on the record. I do not believe that I or any other member of this committee intended to engage with Caranua in a confrontational way. We were all simply putting what I thought were standard questions - in some instances, on behalf of survivors of institutional abuse. The responses from Caranua were over the top.

I am particularly uncomfortable with the assertion that has now been made in a number of items of correspondence and was repeated on several occasions at the hearing. I will quote directly from the most recent correspondence from the CEO, Rachel Downes, in which she states:

I suggested that members of the Committee could discuss matters that were presenting as a concern after the hearing. I have received no request from any member to discuss matters subsequent to my attendance before the Committee.

Repeatedly during the hearing and in other correspondence, this same assertion has been made that members could have a private chat with the CEO to discuss matters. This shows a lack of appreciation for the role of the Committee of Public Accounts. Our role is not to satisfy our own desire for information. Our role is to put questions on behalf of the Irish taxpayer and Irish citizens. I would have thought that previous experience would have shown that private conversations in car parks are not the way in which witnesses or bodies should be interacting with this committee. I wanted to put all of that on the record.

It is also important that we correspond with the Department of Education to get a detailed framework as to how the issues pertaining to Caranua will move and be addressed because the explanation outlined to us that a new board will be put in place without staff and without a budget to all intents and purposes yet some executive responsibility will lie within the Department is a recipe for disaster. It is, therefore, very important that we get clarification on that as speedily as possible. My proposal is that we write to the Secretary General of the Department seeking that clarification, the framework for how the work of Caranua will proceed, a timeframe for the legislation to formally wind down Caranua and a subsequent framework for how outstanding issues relating to institutional abuse and claims may be dealt with in the future.

**Chairman:** Just to clarify, I think the Deputy included in his proposal - if not, it needs to be included - that we look for progress on the two cases that were addressed with Caranua from the Department. The important outstanding business is about victims. I know there has been difficulty in resolving these two cases but the ball is firmly in the Department's court and we should look for a progress report on that from the Secretary General. Is the Deputy happy with that?

**Deputy Matt Carthy:** Agreed.

**Chairman:** Is everyone happy that we agree to write to the Department about that?

**Deputy Imelda Munster:** Yes.

**Chairman:** The next correspondence is Nos. 436 and 443C from Bibby Financial Services Ireland relating to our engagement on the 2019 financial statements of the Strategic Banking Corporation of Ireland, SBCI, on Tuesday, 9 March. No. 436 is a letter to me as Chairperson of the committee, dated 10 March, and No. 443 includes a request for updates relating to the letter. Part of the discussion on 9 March concerned Bibby Financial Services Ireland because it is in receipt of funding detailed in the SBCI financial statements. No. 436, the letter from Bibby Financial Services, makes a number of points arising from that discussion and as the company was not represented at the meeting and, therefore, did not have the right of reply, I believe it is appropriate that the committee should note the following points that were made in the letter: Bibby states that it has at all times operated in accordance with the terms and covenants of its agreement with SBCI and in compliance with all other regulations in Ireland. Bibby states that none of the funding it received as part of its agreement with SBCI has been used by the Bibby Line Group or Bibby Financial Services' UK business. Bibby strongly refutes any suggestion that it has operated in an unlawful way at any time or has acted outside the terms of its agreement with SBCI. Bibby states that it has undergone rigorous due diligence and audit processes on a number of occasions with SBCI and has met all requirements on all occasions. Bibby states that it is proud of its role in supporting the Irish economy and that it has made more than €600 million available to Irish SMEs since 2018. I propose that we note and publish No. 436 and advise Bibby accordingly. Is that agreed? In the correspondence advising Bibby of the decision, I will inform Bibby about the option of making a submission under Standing Order 711 in the event that it is unhappy with the way in which the matter has been dealt with. In relation to SBCI, the secretariat is compiling the questions that members have submitted for it to respond to. I understand there are currently more than 30 questions and we will consider these at our meeting tomorrow. We are seeking a lot of information from SBCI regarding this. As has been outlined, there are more than 30 questions to be put. I remind members that when we talk about an entity or body that is not present, we should be careful regarding our legal requirements. I will open it up to the floor.

**Deputy Marc MacSharry:** I am delighted that the Chairman read out the letter from the relevant company. It is more than entitled to do so. Our issue as a committee is with the SBCI and the lending of money that was envisaged for a particular purpose. Of course, it will understand, as, I am sure, does the company that wrote to us does, that we have a responsibility to examine that. Many questions have been submitted and I know they will be laundered through the Office of the Parliamentary Legal Adviser tomorrow. I have not submitted my questions yet because I do not intend to have them laundered by anybody. I have my own legal advisers, who can advise on that. My analysis of this particular transaction is a matter of major concern to me. The auditors of the company that wrote to the Chairman have resigned. It is a matter of concern whether SBCI would have been aware of that at the time we were questioning about this matter. If it was not aware of it, what was the reason? Other issues do not make me comfortable that the money that was lent was lent for the purposes for which it was intended. That may be a failing, as I was at pains to point out at our previous meeting, which I know was in private. In fairness to the company in question, I am happy to say publicly that the failing may have been with the original legislation and oversight of it by the Oireachtas. It may have been failings in the legislation itself but it is our responsibility to get to the bottom of it because of the amount involved. Certainly the spirit of the legislation, which I was in the House for when it was put through, is not captured in this. There is no suggestion that the company did anything wrong but it may well be the case that SBCI or indeed Members of these Houses did. We have a responsibility to find out whether this is the case. I formally propose that notwithstanding any considerations tomorrow at our private meeting, we invite SBCI back before us to examine this

transaction in detail. Moreover, the invitation should specifically point out that we want to talk in detail about this transaction and no other. An all-encompassing invitation should be issued so that the Strategic Banking Corporation of Ireland representatives are in no doubt whatsoever about the need to have all details with them in respect of underwriting, due diligence and everything else in order that we can go through all of this in detail. I am afraid information given at the meeting by the SBCI representatives does not tally with the information in this letter or other information provided to me and other members of the committee.

It is a matter without prejudice to anyone. It may well be our fault - the fault of Deputies and Senators in these Houses. This requires and demands a public investigation with SBCI without prejudice to the company involved. That is our responsibility.

In advance of our private meeting tomorrow I want to put a point on the record. Parliamentary privilege exists for a reason. Sometimes, where the Legislature crosses with private society and the commercial world, it is necessary to refer to certain entities and companies and, at times, individuals. That is the very reason parliamentary privilege exists in a democracy. It is beyond ridiculous and absurd in the extreme to wall ourselves off to the extent that we cannot do our job in holding ourselves and the public purse to account. That is what I intend to do regardless of any advice tomorrow. I believe and hope colleagues will approve the proposal today. I do not want it to go to a private discussion tomorrow. I wish to formally propose that, as a matter of urgency, we bring SBCI representatives back in to discuss that transaction.

**Deputy Catherine Murphy:** Essentially, the purpose of SBCI, or this particular aspect of the entity, was to ensure that the funding was to be used exclusively for the Irish economy and for the benefit of small and medium-sized enterprises. The legislation was clear. We all recall that such companies were struggling at the time to get finance from the commercial banks. This was to be a facility. Obviously, Bibby Financial Services Ireland is a component of the arrangements. The company provides a discount or service in respect of invoices to improve cash flow.

It is absolutely a requirement of the Committee of Public Accounts to ensure money is used the way it was intended to be used. I do not believe any of us need to make an apology for that. It is absolutely fine for people to take issue with it. Anyway, all we need to do is look at the evidence and interrogate it. I want to ensure that the questions are comprehensive enough and deal with the issue from the point of view of the evidence that has been provided to us. This is not a battle with a particular entity. It is about ensuring that we are getting what the legislation set out for this fund and what it was to be used for.

**Deputy Verona Murphy:** I concur with both sentiments from the previous Deputies. It is important.

**Deputy Marc MacSharry:** Will Deputy Murphy second the proposal?

**Deputy Verona Murphy:** I second the proposal. Moreover, the level of questions that we are sending back to the corporation warrants that SBCI representatives would appear before the committee again. A considerable number of what seem to be contradictory statements have been made since they were before the committee in answers that they came back with or on the basis of information we had. I second the proposal and I hope this happens sooner rather than later.

**Deputy Colm Burke:** I agree with my colleagues on this matter. The SBCI letter now seems to dispute some of the issues raised. I would like to see the evidence of this because



the evidence we had does not appear to agree with some of the issues raised in the letter. It is important that we get the SBCI representatives to check back in and go through this again. We need to see what explanations are being brought forward in respect of some of the issues raised on the last occasion.

**Chairman:** If we are inviting SBCI representatives back in again it would have to be done in public. There should be no question about that as we are discussing public funds. I suggest we await a reply to the 30 questions. At that point I certainly would like to see the answers to the questions before SBCI representatives come in the door. Does anyone else have further questions to add to that?

**Deputy Marc MacSharry:** I would not be in favour of that. I hate to be at odds with the Chairman above anyone.

**Deputy Verona Murphy:** On reflection, I am of the same opinion.

**Deputy Marc MacSharry:** There were 30 questions, but I probably have 30 questions of my own. I have no problem putting things in writing but we are all used to the parliamentary questions. A written answer will never capture what we can capture in a hearing where people can go to and fro and I can pick up where Deputy Murphy leaves off or *vice versa*. It can all be done quickly rather than going into the administrative merry go round where 30 questions go out and 30 answers are considered. In such cases the Office of Parliamentary Legal Advisers plays a part and there are articles in the newspaper. We go back at it again and again. Instead, let us get them in and schedule a two-hour session. The two-hour sessions are laughable really and it is difficult to get under the bonnet of issues in that timeframe, but we should get the SBCI representatives in and go through it. I hate the administrative merry-go-round. It is something they do in the legal world. They cannot ring each other. They have to write to each other and it is €1,500 per letter and so on. Let us get them in and throw the questions out. I hate to be at odds with you, Chairman, and I know you are trying to be helpful and we have a large agenda.

**Chairman:** I am open to suggestions. The only reason I suggested it was that we would be able to focus in this discussion on the issues, get to the real issues and drill into it. That is the only reason. If members reckon there is a better way of doing it and that we should look to bring them in and put those questions to them, then I am happy enough to go along with that. We will look to have them brought back in.

**Deputy Colm Burke:** I think it would be helpful if we did get written answers because at least then we can scrutinise those answers. I really think it would be helpful if we got them in before the SBCI representatives came back in. That is my personal view.

**Deputy Verona Murphy:** With respect to Deputy Burke and everyone, mostly we are asking the questions because of what was said when they appeared before the committee. We know the answer. What we really need to do is ask them face to face and eye to eye why the information they gave us was very different to the information that went to other people. The one contradicts the other. I do not think we need to put them on notice of that. That is my view on reflection. My thanks to the clerk for putting it together but we would be better off, if at all possible, having them at another sitting before we put them on notice.

**Deputy Catherine Murphy:** We have to ask ourselves what we would be doing if we were not in a situation where we are so restricted because of Covid-19. Would we be having this discussion in public? We probably would have the opportunity for extra sessions. Time

matters. I believe we would be doing more of this in public than we are doing if circumstances were different. That has pretty much been the routine.

There are questions. I am trying to think about the timeline. There are questions that we can valuably put so that we can have a better discussion when it comes to having them at a public session. I would not be averse to putting some of those questions but I want to see what those questions are. I believe we need to have them at a public session.

**Chairman:** Deputy Murphy is in favour of bringing them into a public session. Is that correct?

**Deputy Catherine Murphy:** Yes, but I think-----

**Chairman:** I suggest we send off the 30 questions anyway and invite them in at the earliest opportunity. We can see what they come back with. The earliest meeting date we have now is 20 April if we want to try to have them in for that date. If members are happy to do that, we can bring it forward.

**Deputy Verona Murphy:** Is it not likely that they will come back and say they cannot have the questions answered by 30 April, whereas they probably could come in by that date? It is 30 questions, and Easter is in the middle.

**Chairman:** They could use it to put it off. Okay, we will invite them in.

**Deputy Verona Murphy:** That is it. I think we should invite them in.

**Deputy Marc MacSharry:** I do not understand the big timelines. It is more in the legal world where it is 14 days for everything. The Chair should send them out whatever questions he wants. If he wants my 30, I will give them to him. Give them a week to respond.

**Deputy Verona Murphy:** No. I think it is more reasonable, to be honest.

**Chairman:** We will look for an early response and invite them in anyway. A date we can work for is 20 April. That is the soonest, if members are happy with that. I think that is the best way to proceed.

**Deputy Colm Burke:** It would be important we have replies in well before that date.

**Chairman:** We will ask for replies within a two-week period to make sure we do not get held up because of that. Is that okay? I thank members.

There is one piece of correspondence not on the list from Deputy Gould. I know we have discussed this and I do not want to open it for discussion but it regards the service level agreement and SouthDoc. It is in the bundle of correspondence today. I ask the clerk to follow up with the HSE regarding the service level agreement, if members are happy with that.

**Deputy Matt Carthy:** I welcome and thank Deputy Gould for raising this issue. It appears to be a perplexing situation. The HSE has outsourced the running of the doctor on call services to a private company. The HSE is under the impression that this company has an obligation to provide particular services in some parts of Cork. We are told that on 14 March last year SouthDoc closed 11 facilities across counties Cork and Kerry. On 18 and 29 September and on 1 October the HSE wrote to SouthDoc requesting the restoration of a service plan for Listowel and Blackpool. SouthDoc sent a letter stating it is not planning to open either Listowel

or Blackpool.

This is a potentially very serious matter and it is crucial we get a full appraisal from the HSE as to how it finds itself in this position where services to local communities are being essentially denied by a private company which has received €7.294 million in 2019 and 2020. How can an organisation be in receipt of that level of taxpayers' money and yet refuse point blank to provide a service? We know the HSE can often be dysfunctional but when it outsources to private companies it often appears to be even more dysfunctional. This committee needs to do a bit of work in respect of how we got to this point.

**Deputy Colm Burke:** I cannot comment on the issue in relation to Listowel but in relation to Cork city there is a problem in that we are running centres in two locations in the city whereas there is a strong view that one location in the city centre would be more effective. The question is whether or not work should be done by the HSE with SouthDoc to aim towards that. The current situation is that the provision of services is totally on one side of the city and there is not access by bus or other public transport to the location on the south side of the city. Even the people on the south side do not have bus access to that location. There is a major question, if a proper reorganisation was done, about whether one centre in the city centre would be far more effective than the way it is now. It is totally disjointed and now we have one centre closed. It is something the HSE should be looking at with SouthDoc to resolve rather than pushing it down the road, which appears to be what it is doing at the moment.

**Chairman:** The most concerning piece in the correspondence from Deputy Gould is that "[W]hile these two facilities remain closed, the HSE are still paying the full agreed amount to Southdoc. Thus, funding does not exist to seek an alternative solution for Blackpool and Listowel." Deputy Burke will be concerned about that as a Cork Deputy. In the midst of a public health----

**Deputy Colm Burke:** My understanding is the problem is getting staff to man the centre to keep the level of service. It still raises the question of whether there could be a far more efficient service by having one location in the centre of the city, rather than the way it is now organised. I do not know why that was not done the first day but it is a problem now because even people on the south side cannot get there by public transport.

**Chairman:** At the moment, half the city is without it, as is Listowel.

**Deputy Catherine Murphy:** We have to isolate what is for the Committee of Public Accounts and what should go to, for example, the health committee. There are operational issues in relation to this and I appreciate the concern in relation to delivery of healthcare. What particular aspect relates to the Committee of Public Accounts and what can we do? What questions should we ask? We should not get into the operational questions.

**Chairman:** I suggest we ask about the €7.294 million provided each year to the service and the service level agreement with this company. According to this correspondent, that is still being provided to SouthDoc. We should request from the HSE to know if this is still the case and what progress there has been in using the money to provide a better service in Blackpool and Listowel. Does the Deputy suggest we forward the correspondence to the health committee with the permission of Deputy Gould?

**Deputy Catherine Murphy:** I think we should.

**Deputy Matt Carthy:** I recognise Deputy Catherine Murphy's concerns but I believe this

to be well within the remit of the Committee of Public Accounts. It goes to the heart of how public funds are often spent in our health services. This is a situation I do not fully appreciate as I do not know the geography as well as Deputy Burke in relation to what the optimum operation of this service will be. The difficulty is once one enters into an expensive contract with a private company, one is tied to that even if public health and common sense suggest an alternative course of action is warranted. This goes to the heart of how millions of euro of taxpayers' money is spent in delivery of our health services and I think this committee has an important role to play in getting to the bottom of whether or not the HSE signed us up to a contract that does not deliver the service we are paying for.

**Chairman:** I propose we write to the HSE requesting the information and that we notify Deputy Gould of that. We can refer it to the health committee and at least bring the situation to their attention but there is a financial issue here regarding money being provided and the service not being provided at the other end. We will proceed with that.

That concludes the correspondence. The other issue is Standing Order 218. Most members have concerns around that and I asked two weeks ago for members to bring suggestions regarding changes, abolition, scrapping or replacing Standing Order 218. If members have suggestions, will they bring them to the clerk before tomorrow? It is important. I have looked at it and will be bringing forward a suggestion regarding what we want to do with Standing Order 218.

In advance of our engagement on bogus self-employment with Mr. Martin McMahon on this day week at 12.30 p.m., I have asked the clerk to seek a submission from the Irish Congress of Trade Unions on the topic. Are members happy to receive that submission? It is to try to get that organisation's take on the issue. Thanks. As there are no other matters, I adjourn the meeting.

The committee adjourned at 11.30 a.m. until 2 p.m. on Wednesday, 24 March 2021.