

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Dé Máirt, 28 Meán Fómhair 2021

Tuesday, 28 September 2021

The Committee met at 9.30 a.m.

MEMBERS PRESENT:

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

DEPUTY BRIAN STANLEY IN THE CHAIR.

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

Business of Committee

Chairman: All those in attendance are very welcome. No apologies have been received. The Comptroller and Auditor General, Mr. Seamus McCarthy, is a permanent witness to the committee and he is attending remotely.

As we return to participate in committee meetings in person, I ask members and all in attendance to exercise personal responsibility and to protect themselves and others from the risk of contracting Covid-19. They are strongly advised to leave at least one vacant seat between themselves and others attending and to adopt good hygiene practices. Those in attendance should always maintain an appropriate level of social distancing during and after meetings. Masks should be worn at all times during meetings except when speaking. I ask for co-operation with the guidelines.

Members participating remotely must continue to do so from within the precincts of Leinster House due to the constitutional requirement that in order to participate in public meetings members must be physically present within the confines of the Parliament.

The business before us today is as follows: minutes; accounts and statements; correspondence; work programme; and any other business. Before we proceed, I propose that we reserve 20 minutes at the end of the meeting to go into private session to deal with sensitive correspondence and housekeeping matters. Is that agreed? Agreed.

The first business is the minutes of the meetings of the 16, 21 and 23 September. They have been circulated to members. Do members wish to raise any matters in relation to the minutes? Are the minutes agreed? Agreed. As usual, the minutes will be published on the committee's web page.

The next business is the four sets of accounts and financial statements that were laid before the Dáil between 20 September and 24 September. I ask the Comptroller and Auditor General to address the accounts and statements before opening the discussion to the floor.

Mr. Seamus McCarthy: The accounts that have been presented are from the Property Services Regulatory Authority for 2020. That is a clear audit opinion. The next accounts are from Bord Iascaigh Mhara and are also from 2020. Again, there is a clear audit opinion. The Sea-Fisheries Protection Authority got a clear audit opinion for 2020 but I draw attention to a number of items. First, an organisational capability review report issued in April 2020, which was commissioned by the authority. The review found a number of recommendations relating to inadequacies in data management, data analytics capability, IT capability and industrial relations capability. If members would like to read more about that, we have put a link into the document that is before the committee in pdf format, in order that they can go straight to that in the financial statements if they wish.

The second item relates to the results of a European Commission audit that identified significant shortcomings in the weighing and reporting of pelagic fish landings and the lack of controls and enforcement over catches of bluefin tuna. This issue has been going on for a number of years. Further work is required to address the weaknesses that they found.

Finally, note 8 to the financial statement discloses that salary overpayments of €861,000 have been written off. Members can also read more about that by using the link.

The final set of financial statements presented is for Teagasc 2020. That received a clear audit opinion.

Chairman: I thank Mr. McCarthy. Do any members wish to ask questions or comment on the financial statements? I call Deputy McAuliffe.

Deputy Paul McAuliffe: The writing off of such a substantial overpayment in what I would imagine is a smaller organisation than many we deal with seems a disproportionate percentage of their total payroll when compared with other organisations that we deal with. It could relate to a small error in this case but it is substantial. Has the Comptroller and Auditor General any view on that specifically?

Mr. Seamus McCarthy: It goes back quite a number of years and relates to the application of the financial emergency measures in the public interest, FEMPI, cuts. Initially the advice that the organisation received from the Department of Public Expenditure and Reform was that certain allowances were not to be included in the cuts and subsequently it was determined that they should have been included in the cuts but in the meantime, the staff had continued to receive salaries at the higher level. This matter has been to and fro between the organisation and the Department of Public Expenditure and Reform over a number of years. At one point - and this is why they recognised a debtor - they were going to recover the payments from the staff but then it was determined after industrial relations negotiations that it would not be recovered. Technically they have to write off the debt that they had previously recognised, so it is quite messy. However, at the end of the day, the Department of Public Expenditure and Reform has decided that collection is not required.

Deputy Paul McAuliffe: Was this signed off as part of the industrial relations agreement?

Mr. Seamus McCarthy: Indeed it was.

Chairman: How many employees does that €861,000 relate to?

Mr. Seamus McCarthy: I do not have the number offhand and it is not in the note. We can certainly obtain that information. The payment persisted for perhaps three years before it was determined that it was an overpayment and it stopped.

Deputy Matt Carthy: My first question was answered by Mr. McCarthy in his last remark. Does Mr. McCarthy reckon it was three years that these payments were made for?

Mr. Seamus McCarthy: Just from recollection, I think it was in or around three years.

Deputy Matt Carthy: I appreciate the Comptroller and Auditor General's response to Deputy McAuliffe that the exact numbers are not to hand. Can I take it that this was uniform across the agency or the authority?

Mr. Seamus McCarthy: Yes, it was a general misinterpretation. There is no question of it being applied to certain staff members but not to others who were on the same allowance. It was a misinterpretation at a whole-of-agency level. Anybody who was getting the allowance continued to get it without interruption.

Deputy Matt Carthy: Mr. McCarthy references an April 2020 review which made a num-

ber of recommendations regarding data management inadequacies, data analytics capability, IT capability and industrial relations capability. Is Mr. McCarthy satisfied that the review is being implemented? Can he make a comment on that?

Mr. Seamus McCarthy: The organisation is planning on implementing the recommendations, which is what one would expect. It was obviously a very comprehensive review for it. I do not have the detail. There were quite a lot of recommendations, 46 in total. It has a plan of implementation.

Deputy Verona Murphy: My question was the same as the last part of Deputy Carthy's question. I am happy.

Chairman: The accounts and financial statements will be published as part of our minutes. As usual, we will request an explanation for any significant non-compliant procurement over €500,000 or delays in laying the accounts before the Houses of the Oireachtas.

We will move on to No. 3, correspondence. As previously agreed, items that are not flagged for discussion in this meeting will continue to be dealt with in accordance with the proposed actions that have been circulated and decisions taken by the committee in regard to correspondence are recorded in the minutes of the committee's meetings and published on the committee's web page. We held over a number of items from last week and will address those first.

The first category of correspondence under which members have flagged matters for discussion is B, correspondence from Accounting Officers and-or Ministers and follow-up to meetings of the Committee of Public Accounts. The first item is No. 751 from Mr. Maurice Buckley, chairman of the OPW, dated 4 August 2021, providing information requested by the committee regarding the ongoing discussions between the OPW and the landlord of Miesian Plaza which is now the headquarters of the Department of Health. It concerns the OPW's failure to address the mismeasurement of floor space in the contract for the lease of Miesian Plaza, which was flagged by the Comptroller and Auditor General and is expected to cost the taxpayer about €10 million during the lifetime of the lease. The OPW has been in negotiations with the landlord since 2018. Previous correspondence from the OPW, No. 667B, stated that a meeting took place on 3 June, but no further information was supplied other than to say that both parties are committed to continuing the process.

We agreed to request the agenda of the meeting referred to in the correspondence, the minutes and details of the matters discussed, including the outcome of the meeting, and the agenda for the next meeting and when it is scheduled to take place. In response, the OPW stated that it is intended to meet the landlord again in August and the only matter for discussion was "The resolution of the measurements issue", but that the discussions are sensitive and all meetings are held on a confidential basis and without prejudice. The OPW states that it will keep the committee informed of progress and we requested quarterly updates on this matter in a report on our engagement with the OPW. It is proposed to note and flag that correspondence. Is that agreed? Agreed. Deputies Imelda Munster and Catherine Murphy flagged this.

Deputy Imelda Munster: I thank the Chair. That correspondence is now a couple of months old. I heard what the Chair said at the end of his contribution. I was about to suggest that we write requesting an update and see what progress had been made. The OPW is giving us quarterly reports. If we want to chase this specifically, we could write to it again for an update.

Chairman: Okay. Thank you.

Deputy Catherine Murphy: I think by the time the OPW gets the letter we would both agree that it will probably be near the end of the quarter. We need to make sure we do not go beyond that.

Chairman: Okay. It mentioned in previous correspondence that it would not have a physical meeting. It will now be able to meet face-to-face and it is to be hoped that will bring about better results in terms of resolving this issue.

Deputy Catherine Murphy: We all know that the only item on the agenda is the measurements.

Chairman: Absolutely. Measurements and pounds, shillings and pence. I thank the Deputies.

No. 753 from Mr. David Moloney, Secretary General of the Department of Public Expenditure and Reform, dated 30 July, encloses the minute of the Minister for Public Expenditure and Reform in response to the committee's report on the examination of the 2019 appropriation accounts of the Office of the Revenue Commissioners. The Minister responds to the recommendations in all of the committee's reports. In this case, we made five recommendations, two of which were accepted, one of which was partly accepted and two of which were not accepted. Those accepted relate to a breakdown of individual taxes within the excise duty category in Revenue's accounts, the temporary wage subsidy scheme and tackling bogus self-employment.

The first recommendation not accepted concerns a voluntary PAYE system agreed by Revenue and courier firms in March 1997, and this committee's request for an independent investigation into the financial and sectoral implications of that agreement. Revenue states that the matter was discussed by the Committee of Public Accounts in 2000, that Revenue does not have the powers to set up and commission an independent investigation and there is no legal basis for it to do so.

The second concerns a 2019 EU Commission inspection report on the control strategy for customs values and repayments. We requested a copy of the report and Revenue's reply. Revenue states that the audit has not been completed and that it does not have a timeframe for its completion. I suggest that we follow this up to request a copy of the material requested once the audit is completed and that we note and publish this correspondence. Is it agreed that we will follow up on looking for the audit report and that we will publish the correspondence? Agreed. I have flagged up this item for discussion, as did Deputies Catherine Murphy, Carthy and Munster. We call for a report on that in one of the five recommendations made. Basically, the Department of Public Expenditure and Reform is saying that it does not have the power to set up such an investigation. Some could take this as a refusal. The amount of money being lost is an important issue. That sector has exploded with online shopping and fast food delivery and so on over the past decade. There could be a very big loss there for the public purse. I suggest that we will write back to them and ask them what they can commission. I certainly would not be happy, as the Chairman of the Committee of Public Accounts, to have a situation where there are potentially tens of millions of euro, or more, that should be going into the PRSI pension fund and which the State and the taxpayer is losing out on. I suggest that we would do that. I will now bring in the other Deputies who also had flagged this very important issue for the committee.

Deputy Catherine Murphy: It is indeed and it is not just the State that would be the big loser here. It also affects the individual employees when they come to require pensions and

welfare payments. There is a very different status. We saw this very clearly with the case of RTÉ. It is a potential loss but it is also very precarious employment.

I believe that social welfare or social protection is another avenue here. I could be wrong but if I remember correctly, I read recently that they declined to do a piece of work on this. This is an area we should look at because it really is there, where the determination in the scope section occurs, that is the origin of the issue. We should certainly consider that avenue as well.

Deputy Matt Carthy: I fully support the Chairman's proposal. We may have given Revenue an avenue out by being prescriptive in terms of requesting that they commission an independent investigation. I am very disappointed, however, that Revenue has said that it does not have the powers to set up such a commission and that there is no legal basis for them to do so. They are not offering a proposal to do anything. As has been rightly said, this has potentially serious long-term implications for workers' social protection entitlements. In the short term, there is also a very different obligation on an employer with employees, as opposed to an employer with people who are defined as being self-employed in the context of day-to-day entitlements for employees such as sick leave, the protections that are in place and even the requirements with regard to the minimum wage. This is a hugely important issue and it is going to become more acute over the coming period. I therefore agree with the Chairman's proposal that we write back to Revenue asking what precisely it intends to do to carry out an analysis of the level of revenue that has been lost to the State, the number of workers impacted and the financial cost and implications for said workers. It is crucially important that Revenue assess that. This is a decision it made as a result of a social welfare appeal hearing many years ago. It must not be dropped because there are potential knock-on implications for workers in many other sectors.

Deputy Imelda Munster: Following on from what Deputy Carthy said, I support the Chairman's proposal.

On recommendation No. 2, I understand the Comptroller and Auditor General will do a special report on Covid procurement. Are there any plans to do similar reports on other areas of Covid-related spending?

Mr. Seamus McCarthy: I do not have a piece of work under way on procurement, other than in relation to the ventilators. That is the additional piece of work I am doing. We commenced a piece of work around HSE procurement of PPE but because the HSE had already commissioned KPMG to do a piece of work looking at the procurement processes and so on, I decided not to proceed with that examination pending the receipt of the KPMG work. It is actually quite a good piece of work. There are lessons to be learned there in relation to procurement, so I would not propose doing additional work at this stage on PPE procurement.

On the report I will be publishing on Thursday, a number of chapters in it deal with the expenditure as a result of Covid-19 but it is more to do with schemes than with procurement. For example, I have chapters on the pandemic unemployment payment, PUP, and the temporary wage subsidy scheme, TWSS. I also have a chapter giving an overview of where the expenditure was as a result of Covid restrictions in the first year of their operation.

Chairman: The one the Deputy was referring to was the TWSS.

The response to recommendation No. 3 was to partially accept it, which is some improvement. Revenue concurred in its response. I highlighted this when reading the response. It states: "We intend to conduct standalone and multi-agency site visits as part of our 2022 com-

pliance programme, cognisant of the recommendation of the Committee in relation to the number of site visits, subject to the prevailing pandemic restrictions”. It goes on. That is positive in that we recommended a minimum of 4,000 visits per annum across all employment sectors. It is welcome that Revenue has concurred with us on doing that. I propose that we write to Revenue asking if it can do an examination or review if it cannot carry out an independent investigation. Is that agreed? Agreed.

No. 755B from Ms Eilish Hardiman, chief executive of Children’s Health Ireland, CHI, is dated 29 July 2021. It is a delayed response to our letter of 29 April. CHI attributes the delay to the HSE cyberattack. CHI provided information to the committee in February regarding non-compliant procurement and we then wrote to CHI on 29 April requesting answers to four questions. The first was requesting further details and the rationale for expenditure of €121,000 on the *chi.jobs* website and €83,000 on public relations. The second question was whether consideration was given to obtaining public relations, PR, expertise from within the public service. The third question was what is the proportion of PR expenditure used for preparing CHI staff for appearances before Oireachtas committees. CHI stated that it is a small proportion but did not provide a figure. Lastly, we sought an information note regarding job retention across the three children’s hospital sites. Generally, detailed responses have been provided to the questions. It is proposed that we note and publish this item. Is that agreed? Agreed. Deputy Matt Carthy has flagged this item for discussion.

Deputy Matt Carthy: Yes, Cathaoirleach, and it is in relation to the public relations expenditure, which is something that we have seen in the accounts of a number of statutory bodies. We have had particular discussions around Irish Water and its grid. Irish Water springs to mind where one has statutory bodies that have no competitors spending tens of thousands of euro, and in some cases hundreds of thousands of euro, on PR exercises.

I see that Children’s Health Ireland has referenced a public information campaign, which was rolled out in an integrated manner and launched by the CHI at the Connolly Hospital. All of that is very laudable but at some point there needs to be an analysis done on whether there is a better streamlined mechanism of arranging and managing PR because if every statutory body, Government Department and semi-State spends huge sums on public relations then there must be an argument for a more efficient way of doing things. I would appreciate if we could mark a note for our work programme to see if there is a mechanism, through the Department of Public Expenditure and Reform or another appropriate Department, to analyse whether public savings can be made across all of these bodies.

Chairman: If it is agreed then we will put in a note on that. We note and publish the correspondence.

The next item is No. 761 from Ms Marie-Claire Maney, Chairperson, Tax Appeals Commission, dated 10 August 2021 providing information requested by the committee. Members will recall our meeting with the commission on 8 July and this correspondence arises from that meeting. It includes the following detailed information: the previous case management system that was written off; appeals before the commission that are stated for the opinion of the High Court; case management conferences; appeals being dealt with by the commission that were initiated by the Criminal Assets Bureau; and confirmation that the commission has implemented the committee’s last recommendations to it. I propose that we note and publish the correspondence. Is that agreed? Agreed.

Deputies Catherine Murphy and Matt Carthy wish to discuss the correspondence.

Deputy Catherine Murphy: Part of the reason that we asked the commission in was because on a previous occasion they came across as very chaotic and we wanted to see if things had changed. I think we were quite impressed with them when they came in as they were quite forthright. The tables certainly demonstrate that a lot of work has been done to deal with outstanding cases. At this stage the caseload looks manageable, which is useful. In July, for example, the commission told us that 78 appeals were on hand relating to assessments by the Criminal Assets Bureau with the highest one valued at €22.5 million and the lowest one at €2,000. That just shows the kind of money that can be at the centre of this work. I find the information that the commission gave us to be very useful and it certainly backs up what they said when they were in with us.

Chairman: Some members will note, and it came up on the day that the commission was in, No. 8, which was the appeal regarding Domino's Pizza in relation to the €40,000. There was a High Court decision issued on that on 20 December 2019. That matter has been in open court. The determination which was enclosed with the case stated that the quantum under appeal for unpaid PRSI was €40,000 as per Revenue's estimation of the due account. We note that this was a test case.

Deputy Catherine Murphy: That judgment is quite useful in terms of it pointing to the obligations of the drivers. It is extraordinary that they were using their own phones, insurance cover and so on. It is worth reading just to get a flavour of it because I think more and more we are going to be looking at the issue of precarious employment. The judgment gives a flavour of the obligation from the drivers' perspective.

Chairman: There seems to be a fair bit put on them.

No. 762 is a somewhat delayed response from the Department of Transport, dated 11 August 2021, to information requested by the committee at our meeting with the Department on 27 May 2021. It relates to the DART underground project, on which €45 million had already been spent when a Government decision was taken in 2015 not to proceed with it and to look for lower cost solutions. Another €1 million has since been spent. The current position is that in January 2021, the National Transport Authority commenced the preparation of a route alignment options and feasibility study to establish a DART tunnel route. It was intended that it would form part of the integrated public transport network and meet the long-term passenger demand in Dublin city centre. The Department anticipates that the study will be concluded in the third quarter of this year. I propose that the committee request a copy of it. Is that agreed? Agreed.

The committee also asked the Department to provide details of State investment in the current Irish Coast Guard search and rescue helicopter service, and whether the State will own the helicopters. The response provides details in relation to the operation of the contract and clarifies that the State does not own the helicopters. It is proposed to note and publish this correspondence.

Deputy Matt Carthy: On the DART interconnector, I am sure that, like me, other members of the committee have received correspondence from Ashtown Stables. We see this every time there is a big infrastructural project in terms of the impact on particular businesses. In some cases, it can wipe them out. I propose that the committee write to the Department of Transport to request a note on how it plans to deal with individual homeowners and businesses that will be affected by the project.

Deputy Catherine Murphy: On the DART interconnector, I requested some of this information because we need to make sure that, where possible, the work previously done on it is reused. This project is the game changer. I recall Barry Kenny making the point that if it came online, it would ensure there would be up to 100 million journeys per annum. It is the kind of project that requires to be done if we are to get to grips with the transport element of our climate obligation. It is an expensive project, but it has a lifespan. We need to make sure that in terms of the work already done money is not wasted.

Chairman: Is the Deputy in agreement with Deputy Carthy's proposal?

Deputy Catherine Murphy: Yes.

Chairman: As I mentioned, in 2015, €45 million was spent on this project, which is a considerable amount of money. At this stage, I do not think there is even a plan as to where it is going. I am sure the overground option has been looked at. I imagine it would be less costly at any rate. We will seek a note on it from the Department, as suggested by Deputy Carthy. Is it agreed to note and publish the correspondence? Agreed.

No. 779B is from Ms Katherine Licken, Secretary General, Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. It is dated 6 September, 2021 and provides further information requested by the committee on Galway 2020 arising from our consideration of the matter at our meeting on 6 July 2021. The Secretary General states that the Galway 2020 monitoring and evaluation project is under way following a competitive tender process and offers to provide the committee with a copy of the project report once it is complete. It is proposed to accept this offer. Is that agreed? Agreed. It would be useful to have that. It is also proposed that we will note and publish this correspondence. Deputy Munster, do you wish to comment on this?

Deputy Imelda Munster: Yes. I see that the Department is offering us a copy of the Galway 2020 monitoring and evaluation report. Perhaps the committee secretariat could outline the current situation with regard to correspondence and considerations. What does the Comptroller and Auditor General think is the best course of action?

Chairman: I invite the Comptroller and Auditor General to respond to Deputy Munster.

Mr. Seamus McCarthy: As it happens I have a chapter, to be published on Thursday, which is looking at the oversight arrangements for the funding for Galway 2020. Obviously, I am not getting into individual events. The Secretary General's letter does describe many of the events. I do not have a view on the quality of what was done or the impact of it but I do welcome the fact that the Department is undertaking an exercise to try to establish what the impact has been and whether it has been a success from that point of view. Again, there will be further information in relation to Galway 2020 in the report on Thursday and it may be something the committee would wish to examine further.

Chairman: Thank you. I propose to note and publish the aforementioned correspondence and hopefully the evaluation that is under way will shed some further light on the matter.

No. 782B is from Mr. Mark Griffin, Secretary General of the Department of the Environment, Climate and Communications, dated 11 August 2021 providing information requested by the committee relating to the national broadband plan, NBP. The Secretary General sets out progress on the project and states that "Momentum is building on the project and as of 30 July over 12,000 premises are passed and available for connection; this compares to the 4,000

referenced in my letter of 7 July.” According to the correspondence, a further 8,000 premises have been passed and are ready for connection, although not connected yet. Information is also provided on the use of existing infrastructure.

Regarding penalty clauses, the correspondence sets out the nature of the contract and its provisions for dealing with delays. In terms of unprecedented events such as the Covid-19 pandemic, the contractor can seek additional time to meet contract milestones and, in those circumstances, no penalties apply. In other circumstances, the contract provides that penalty provisions relating to delays to delivery of the network apply to any delays that occur from the end of contract year two, which will be 1 February 2022. Should the contractor miss milestones from that date, penalties will apply for the duration of the build period. Therefore, no penalties are applicable to the current delays. It is proposed that we note and publish this correspondence. Is that agreed? Agreed.

Last week, we agreed to engage with the Department of the Environment, Climate and Communications on 14 October and we will request an up-to-date briefing on the contract in advance of that meeting. I am flagging this correspondence because this is a major issue given the size of the capital project involved. While the response sets out that the Department can withhold payment, it does not set out penalties as they were described to me and to others in the Dáil Chamber prior to the contract being signed. In the section of the correspondence that refers to penalty clauses in the contract, the Secretary General writes that subsidies will only be released on achievement of the contract milestones. In other words, the contractor will only get paid for the work that is done but the clear commitment at that time, as I recall it and which is on the record of the Dáil, was that there would actually be specific penalties. In his reply on that section he went on to state that the contract makes provisions for dealing with delays in the delivery of the network arising from unprecedented events such as Covid-19 and that NBI can seek additional time and no penalties would apply. He said the penalty provisions relating to delays in the delivery of the network are applicable with respect to any delays that occur from the end of year 2 of the contract. There should not have been a big delay because work on telecommunications were operational throughout the Covid period, as I recall. I am open to correction on this from other committee members. There was no suspension of work on communications works during that period. The first paragraph of his reply dealing with the penalty clauses in the contract is of concern to me.

In his reply he said reporting on costs and revenues to the Department would subsequently be released only on achievement of the contract milestones which are verified through an independent certification process. This means that NBI is only paid a subsidy when the milestones have been met and verified. There is clearly no penalty. That was confirmed by the Minister in the Dáil. NBI will come before the committee on 14 October and it is essential that we raise these matters with it. This process could drag on for a considerable period of time. Deputy Murphy wished to raise this as well.

Deputy Catherine Murphy: In the main we will deal with that in some detail when we have NBI in front of us. I remember that debate very clearly because we discussed things like road projects where, for example, if a lane is closed there is a penalty for the duration of the loss. Essentially, it was to keep this on track. During Covid-19 the need became even more obvious. If people are going to relocate to work remotely it is all the more important that there is an availability of broadband throughout the country. Nobody disputed that this project was required. The concern was that it was going to cost a lot of money and there was a question mark over the capability of the people who were awarded the contract to deliver on it.

I take some issue with what has been said by the Secretary General. The figure quoted was 4,000 and it was stated it should be 12,000. It was supposed to be 20,000. What were the milestones? It is an improvement on 4,000, but if NBI does not meet the target will there be slippage in terms of an accelerated programme? That is one of the questions we can put to NBI on 14 October.

Chairman: Since the first reply there have been an additional 8,000 added on. The first reply referred to 4,000, but in this correspondence it is stated that an additional 8,000 have been added to that in terms of premises passed. The actual target runs into hundreds of thousands. I will not quote the correspondence, but it is a much larger figure than that. It is multiples of that in the first year. Deputy Carthy had flagged this item.

Deputy Matt Carthy: I will leave it until our meeting.

Deputy Colm Burke: There are two issues in regard to that letter. The first is that it does not outline anything regarding the contracts that NBI has agreed with contractors. I understand that one of the contractors is based in England and did not perform at all during Covid-19 and the lockdown period, whereas the other company did. The second issue concerns page 2 of the letter which refers to information on the use of existing infrastructure. I have huge concerns about this. Where Eir infrastructure is already in place and is based in what we would call an amber area, we find that Eir is not prepared to connect to any property in the that area even though it already has the infrastructure in place. It is extremely difficult where there is infrastructure in place bordering on an amber area or a blue area. There seems to have been no engagement with Eir in dealing with that issue. It is something that we need. We could have a far faster connection of premises if there was the engagement with Eir with regard to the borderline areas in the context of the blue and the amber areas. We need to take this up with the Department as to why that engagement has not taken place with Eir.

Chairman: I have to say, Deputy Burke, the bad news on that front is that the provision Eir was given to proceed with the 150,000 premises did not compel it to go any further than it has done. I pointed out at the time that Eir was allowed to cherry pick. It picked large groups of homes. It was very clear. I said it to the then Minister, Deputy Naughten, that Eir had been allowed to hold the whole network to ransom because to get by it or to extend that out it does not have to do anything. Eir controls it. It controls the main road here in terms of the main lines. That is what has happened.

Deputy Colm Burke: It does but the response I am getting from Eir is that the Department has not engaged with it, and that is the issue that needs to be taken up with the Department.

Chairman: I am saying to the Deputy that the Department engaged with Eir about four years ago. Permission was given to Eir to service those 150,000 premises. The bad news is that there is no obligation on Eir as a private company to go 1 yd or 1 m further than that. Yes, we should raise it with the Department. As I recall, Mr. Griffin was not there at the time, but I raised it at the time with the officials and the Minister. There is no obligation on Eir to go 1 m further than it has gone. It has the rich pickings. The Deputy will recall that there were three interested parties up until that day, and after that date two of the other interested parties - one of which was the ESB - pulled out. That is why. We should raise it with them on the day that they are in, but unfortunately that was the deal set at the time. It looked good because 150,000 premises were going to be captured, but the problem is that this allowed that part of the network to be captured and made it difficult to get by, with no obligation to go any further than that. This made the rest of the contract so unattractive that the other two bidders pulled out. This is what

actually happened with it. The Deputy is right that this is a serious issue, and we will raise it with them on the day they are before the committee. Perhaps they are now engaging with the private company but it is like a lot of other things in that the State does not hold the cards here, unfortunately, Eir does. The committee will request an up-to-date briefing from them and will have them in on the day. That very much needs to be a focused meeting on the national broadband plan.

No. 788 B is from the Minister for Enterprise, Trade and Employment, Deputy Leo Varadkar, received on 15 September 2021, providing information requested by the committee in relation to data centres and Ireland's electricity grid.

Last week we considered correspondence on this matter from the Minister for Environment, Climate and Communications, and agreed to forward the correspondent to the committee that shadows the Department, and to request information on expenditure on contingency measures to prevent rolling blackouts.

This item focuses on a national strategy for data centres, which is set out in the Government Statement on the Role of Data Centres in Ireland's Enterprise Policy, which was published in 2018. While the statement acknowledges the considerable challenges to the capacity of our electricity grid posed by data centres, it does so in the context of regional development and what it refers to as "high quality, sustainable jobs", although it is unclear how much employment is created by data centres in the long term.

The Tánaiste also states that he and his Department are acutely aware of the challenges that significant electricity demand poses, and that his Department is engaging with the Sustainable Energy Authority of Ireland to encourage investment by large energy users on renewable electricity generation.

It is proposed to note and publish this item. I also propose that we forward it to the Joint Committee on Enterprise, Trade and Employment for the information of its members. That is important. Is that agreed? Agreed. I call Deputy Catherine Murphy.

Deputy Catherine Murphy: There is one paragraph on which we should seek more detail. It is on the second page and starts with, "The statement also acknowledges that as large customers of electricity, data centres also pose challenges". It goes on to talk about energy and states that "the Government will seek to ensure that any downside costs of growing energy demand are minimised by encouraging data centre investment in regions where we have infrastructure capacity to facilitate investments". Regarding that statement, can we ask the Department what analysis was done in that regard and what detail was being worked from? This statement is asking us to trust its interpretation, but I would like to see the evidence.

Chairman: That is fine. The issue is with the second sentence in that paragraph.

Deputy Catherine Murphy: Yes.

Chairman: It is the sentence that includes the words, "the Government will seek to ensure that any downside costs of growing energy demand are minimised by encouraging data centre investment in regions [...]". Is it agreed that we will ask the clerk to seek that information from the Minister and his Department? Agreed.

No. 793 B is from Mr. Denis Egan, chief executive, Irish Horseracing Regulatory Board, IHRB. It is dated 14 September 2021 and provides information requested by the committee

regarding the procurement process for the installation of CCTV at racecourses, which we have been monitoring, pardon the pun. The correspondence states that the number of tenders received exceeded the IHRB's expectations and that the evaluation process is under way. It goes on to state that 25 unique sites are involved, with differing infrastructure and requirements, and that the work is more complex than it might seem. The Chief Executive, who is retiring on 30 September, advises that an update will be provided to the committee when the evaluation process has been completed. It is proposed to note and publish this correspondence. Deputy Munster wishes to comment on this matter.

Deputy Imelda Munster: The IHRB gave us an undertaking previously that CCTV would have been installed before the commencement of the 2022 season. Can we write to the IHRB to find out if that undertaking is still on target? Reading the correspondence does not give much comfort or faith in that regard. We were given that commitment and it would be worth our while to write and see if the board is still sticking to that deadline.

Chairman: That is fine. It is good news that the number of tenders received exceeded expectations.

Deputy Imelda Munster: Yes, it is.

Chairman: Everyone is aware that it is a job to get contractors to do work now because of the demand in the construction and related sectors. It is encouraging, however, to know that plenty of offers have been tendered in this case. We will, though, request that clarification from the IHRB. Only two racecourses are covered now, so we will request that information from the board. I thank Deputy Munster.

The next category of correspondence is category C, correspondence from and related to private individuals and any other correspondence. No. 708 C, from an individual, is dated 1 July 2021. It concerns an alleged incident of bogus self-employment. The correspondent names a company. We must be careful in this regard because it is an allegation. The specific details, including the name of the company, should not be discussed. I ask members to observe that stipulation, because there are potential legal implications. I propose that we thank the correspondent for his letter and suggest that he bring this matter to the attention of the Revenue Commissioners. Is that agreed? Agreed.

No. 721 C, from an individual, is dated 7 July 2021. It raises concerns regarding the national children's hospital. It is proposed to advise the correspondent regarding the role of the committee and its ongoing focus on expenditure on this project. Is that agreed? Agreed. This correspondence was flagged by Deputy Catherine Murphy.

Deputy Catherine Murphy: I am fine.

Chairman: The Deputy is happy enough with what is happening with this matter. That is fine.

No. 756 is from an individual and is dated 3 August. It is a further submission to the committee regarding the management of State property assets by the Office of Public Works. No. 758C is from the same individual and is dated 27 August. The individual in question is advocating for a public property agency to replace the Office of Public Works. This is a policy matter and, as such, one for the Oireachtas Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach. In accordance with the correspondent's wishes, we will forward the previous correspondence to the committee and I understand it is to consider the matter. In

May this year, we published our report on our engagement with the OPW. I therefore propose that we await the publication of the OPW's accounts for 2020 before taking any further action. Does Deputy Murphy wish to comment?

Deputy Catherine Murphy: There may well be value in meeting this individual again, even if it is private session, maybe later this year. He has given us valuable information in the past.

Chairman: It would have to be in private session. I have to mention that with regard to the company name, we need to be in public session. The proposal is that we organise a private session with the correspondent later on in the work year. Is that agreed? Agreed.

No. 757C is from Deputy Carthy and is dated 3 August. It is a request for the committee to examine the appointment, now declined, of Ms Katherine Zappone as UN special envoy on freedom of expression. The matter has been comprehensively dealt with by the Joint Committee on Foreign Affairs and Defence and I understand the committee is to engage with the Secretary General of the Department of An Taoiseach tomorrow. As the matter does not relate to what it accounts or reports to the Comptroller and Auditor General and so as to avoid unnecessary duplication, I propose we do not take any action on this matter. Is that agreed? Deputy Carthy is the correspondent. Is he happy with that?

Deputy Matt Carthy: The Chair's proposal is fine. The correspondence was sent on 3 August, although it seems much longer since that debacle initiated. I request that we write to the Department of Foreign Affairs about existing and previous special envoys appointed and costs associated with them and for a briefing note on the budget line under which they fall.

Chairman: While it is a policy matter, we can write to the Department. As the Committee of Public Accounts, we could suggest that from a public purse point of view, there be a proper recruitment process for positions such as these. That is the real issue here and we could lend our voice to that.

Deputy Matt Carthy: It is just to get a note on the previous special envoys who were appointed, the costs associated with them and the line budget under which they fall. I am sure the Department would be happy to provide that information to us.

Chairman: Is Deputy Carthy happy to agree with my suggestion that we lend our voice by including a short piece suggesting the process for recruitment be an open one carried out by the Public Appointments Service?

Deputy Matt Carthy: Absolutely.

Chairman: No. 759 is also from an individual. It is dated 6 August 2021 and relates to Screen Ireland. We addressed this under No. 729B last week, which was from Screen Ireland. We agreed to request that Screen Ireland provide the committee with an update on its undertaking to contact the individual in question, as well as a breakdown of the percentage of its funding in recent years that has been allocated to companies associated with board members. I propose we notify the correspondent accordingly. Deputy Munster flagged this matter. Is she happy that we addressed it last week?

Deputy Imelda Munster: That is fine. We have not had anything back and I have concerns that Screen Ireland has not made contact with the individual in question. We will wait and see. I hope it will confirm that it has done so over the past week.

Chairman: I thank the Deputy.

No. 764 is correspondence from Deputy Verona Murphy dated 9 August, in which the Deputy makes a request to the committee regarding the awarding of contracts by a body not accountable to the committee. As the information is unsubstantiated, I request that members do not go into the detail of the correspondence at this point. As the body concerned receives significant funding from the Department of Agriculture, Food and the Marine and the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, through Sport Ireland, I propose we request the consent of the correspondent who raised the issue to forward the correspondence to Sport Ireland to respond to the matters raised and to consider the matter further at that point. Deputy Catherine Murphy flagged this matter.

Deputy Catherine Murphy: I have been raising it for some months. It is not obvious what controls are in place, particularly on the part of the Department of Agriculture, Food and the Marine, regarding a grant awarded to this particular body. The Chairman said the claims are unsubstantiated and that may well be the case but there are significant concerns. I am concerned about the governance around this and how decisions were made for the location of this particular facility. I have had some correspondence with individuals about this. It is difficult given that the committee does not have direct responsibility. We will have officials from the Department of Agriculture, Food and the Marine before the committee at some point and we need to explore with them what controls the Department has over the awarding of funding and what it requires in return in terms of governance. It may be advisable to write to the Department in the meantime inquiring what controls it has in that respect. Every reply I get advises me that this is an independent body. However, public money is being allocated.

Chairman: There are two proposals. One is that we request Deputy Verona Murphy - Deputy Catherine Murphy can confirm if this is okay - to forward the correspondence to Sport Ireland and request a response to the matters raised, at which point we will consider the matter further. Is Deputy Verona Murphy happy with that proposal? Is she still with us? Is it agreeable to the committee that we do that? I take it that is agreed. Deputy Catherine Murphy's proposal is that we write to the Department of Agriculture, Food and the Marine.

Deputy Catherine Murphy: Yes, we should try to find out what controls are in place to comply with good governance regarding allocations it makes, specifically to the organisation in question.

Chairman: Is that agreed? Agreed. That completes correspondence.

The next matter on the agenda is the work programme. An up-to-date work programme has been circulated. Members will note that representatives from the National Asset Management Agency, NAMA, will be before the committee on Thursday to discuss NAMA's 2020 financial statements and special report 111, which concerns progress on the achievements of NAMA's objectives as at the end of 2018. Also on Thursday, the Comptroller and Auditor General will publish the 2020 Appropriation Accounts, which address voted expenditure, including of Government Departments and offices. The Comptroller and Auditor General will also publish the 2020 Report on the Accounts of the Public Services. As agreed last week, we will take time to review those publications closely to prioritise areas for examination in our work.

On Thursday, 7 October, we are scheduled to engage with the National Treasury Management Agency, NTMA, including representatives from the State Claims Agency, on the NTMA's 2020 financial statements. The following week, the week of 14 October, we are scheduled to

engage with the Department of the Environment, Climate and Communications. On that day, we can hopefully make some headway on this broadband issue. The Department's 2020 accounts will be available by then, including up-to-date expenditure on the national broadband plan. On 21 October we will engage with Tusla on its 2020 financial statements.

As the Dáil is not scheduled to sit the following week, namely, from 25 October to 29 October, this brings us to 4 November, when we plan to engage with RTÉ arising from its receipt of Exchequer funding, which is now the responsibility of the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media – that is some Department.

As circulated to members yesterday, Deputy McAuliffe has proposed that the committee engage with the Department of Transport and Transport Infrastructure Ireland to examine expenditure relating to the MetroLink project. Deputy Catherine Murphy has indicated support for this proposal and has also raised the possibility of inviting the National Transport Authority, NTA, before the committee in respect of expenditure and the extension of the DART line and BusConnects. I agree that these are two very large areas of expenditure that are very important and were not scrutinised by the committee. I suggest we look to schedule a date when we consider the work programme next week at which time we will have the Comptroller and Auditor General's 2020 material available to us. We will also have the Department of Transport's accounts report. Is that agreed?

Deputy Catherine Murphy: I want to return to the issue of National Asset Management Agency, NAMA. I am aware that the office of the Comptroller and Auditor General has people embedded in NAMA. Is the Comptroller and Auditor General's report being published early in the day and will there be a chapter on NAMA within the report?

Mr. Seamus McCarthy: The financial statements for NAMA have already been published and are available in the Oireachtas Library. The material that will be published on Thursday relates to the appropriation accounts only. These relate to central Government Departments, offices and related reports. There is a report in there in respect of the NTMA but that can be dealt with the following week.

Deputy Catherine Murphy: That is okay and I thank the Comptroller and Auditor General.

Chairman: I call Deputy McAuliffe.

Deputy Paul McAuliffe: Gabhaim buíochas, a Chathaoirligh. I appreciate the Chairman's raising of the correspondence in respect of the MetroLink project and Transport Infrastructure Ireland. We are in bit of a difficult position in advance of the publication of the review of the national development plan but what seems clear from the Minister for Transport's comments at the weekend is that there have been project delays or budgetary issues in respect of metro and it is important that we get to the bottom of those. It looks certain now that the project will enter a new phase where there will be full funding available. It is important, in advance of us going to the procedure of the railway procurement order, etc., that we have transparency on what has been spent and on what progress has been made. Focusing specifically on the MetroLink project may be of benefit because my fear would be if we bring in all of the related issues in respect of Transport Infrastructure Ireland, that we may be here for several sessions. I will take guidance from the rest of the committee on that point.

Chairman: The work on the MetroLink needs to be a very specific piece of work as there is

substantial work to be done on this issue. I call Deputy Hourigan to speak as she has indicated also.

Deputy Neasa Hourigan: I thank the Chairman. I support Deputy McAuliffe's proposal. This should be a directed session. I also want to flag that for some time on the work programme we have had the agreement of Department of Housing, Local Government and Heritage to come in on the issue of emergency accommodation. Recent events have pushed the issue around the private provision and the oversight of emergency accommodation right up to the top of the agenda. If possible, it would be good to schedule that sooner rather than later, it is to be hoped before Christmas, so that we could have a proper look at how we are doing those things.

Chairman: I thank the Deputy for that. If it is agreed, we can take that suggestion on board.

Deputy Alan Dillon: On the discussions on MetroLink and DART, I also want to bring to the attention of the committee the all-Ireland strategic rail review that is currently under way. Maybe we should write to the Department of Transport to look for a progress report on that. There are a number of important projects in rural Ireland that we want to be included in the NDP, primarily based on the all-Ireland strategic rail review. While I understand the projects on the east coast are very important, there are also hugely important projects on the west coast that need equal focus and attention. If the clerk could write to the Department of Transport to seek a report on where progress is being made on the all-Ireland strategic rail review, I would appreciate that.

Chairman: I suggest that we write to the Department in preparation for our meeting regarding the MetroLink project and DART to request information on that before the meeting. If the clerk writes to the Department at this point and we have some advance information, that would be helpful in trying to focus that meeting. The point is well made that if we are going into a meeting with minimal information or only what is reported in the media and are trying to deal with a number of matters, we could require several sessions. If we get the information we request at this point, we will perhaps be in a better position.

Deputy Cormac Devlin: I support Deputy McAuliffe's proposal on having a focus to the meeting specifically around projects, including MetroLink, the DART underground and others. Given that these matters have been on the agenda for so many years, it is appropriate for the committee to examine the expenditure to date and the plans for the next number of years. If we can limit the discussion to the matters Deputies have raised, that will help us when we sit down with the Department in, it is to be hoped, the near future.

Chairman: Does Deputy McAuliffe wish to come back in briefly?

Deputy Paul McAuliffe: Yes, to follow on from Deputy Hourigan's contribution on the provision of homeless services, in particular by private providers, the Joint Committee on Housing, Local Government and Heritage recently completed a policy investigation of the area. It would be useful for members to examine that in advance of the meeting we intend to have. The investigation underlined a number of commitments and analysed what is happening from a policy perspective.

On Deputy Dillon's point, it is not about whether projects are more or less important. There are other committees which can advocate for the importance of projects. I do not disagree with the Deputy. The potential for public spending issues is our role and that is why I am inviting MetroLink in at this point. The fact there is potential for there to be errors in the way this is

managed is where we need to focus.

Chairman: That is useful information regarding what the Joint Committee on Housing, Local Government and Heritage has done. On the basis of the contributions, there are a number of very specific items, including MetroLink, the DART line, BusConnects and the all-Ireland rail review mentioned by Deputy Dillon. I propose that we write to the Department prior to our meeting to request an update regarding progress on these issues and expenditure on them to date. Is that agreed?

Deputy Catherine Murphy: It would also be worth writing to the NTA.

Deputy Paul McAuliffe: I think TII is also the relevant authority for MetroLink.

Chairman: Okay. I thank the Deputy. That concludes our consideration of the work programme for today. As we have agreed, we will now go into private session before adjourning until this Thursday, when we will engage with the National Asset Management Agency.

The committee went into private session at 10.45 a.m. and adjourned at 11.22 a.m. until 9.30 a.m. on Thursday, 30 September 2021.