

DÁIL ÉIREANN

AN COISTE UM CHUNTAIS PHOIBLÍ

COMMITTEE OF PUBLIC ACCOUNTS

Déardaoin, 23 Meitheamh 2022

Thursday, 23 June 2022

The Committee met at 09.30 a.m.

MEMBERS PRESENT:

Deputy Colm Burke,	Deputy Neasa Hourigan,
Deputy Jennifer Carroll MacNeill,	Deputy Imelda Munster,
Deputy Cormac Devlin,	Deputy Verona Murphy,
Deputy Alan Dillon,	Deputy James O'Connor.

DEPUTY BRIAN STANLEY IN THE CHAIR.

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

2020 Report of the Comptroller and Auditor General

Chapter 3 - Central Government Funding of Local Authorities

Mr. Graham Doyle (*Secretary General, Department of Housing, Local Government and Heritage*) called and examined.

Chairman: Apologies have been received from Deputies Alan Kelly, Paul McAuliffe, Catherine Murphy and Matt Carthy. The weeks leading up to the summer recess are particularly busy and other Deputies may also be otherwise engaged this morning. There are several other committees sitting at present.

Please note that to limit the risk of spreading Covid-19, the service encourages all members, visitors and witnesses to continue to wear face masks when moving around the campus or when in close proximity to others, to be respectful of other people's physical space, and to adhere to any other public health advice.

Members of the committee attending remotely must do so from within the precincts of Leinster House. This is due to the constitutional requirement that to participate in public meetings, members must be physically present within the confines of the Parliament.

The Comptroller and Auditor General, Mr. Seamus McCarthy, is a permanent witness to the committee. He is accompanied by Ms Paula O'Connor, deputy director of audit at the Office of the Comptroller and Auditor General.

This morning we will engage with officials from the Department of Housing, Local Government and Heritage to examine arrangements in place for accountability and oversight of the expenditure of central government funds in the local government sector. The examination is in the context of chapter 3, central government funding of local authorities, from the Comptroller and Auditor General's Report on the Accounts of the Public Services 2020. As per the request of the committee, the Department has provided a response to a series of questions regarding its oversight of expenditure of central government funds in the local government sector. Briefing documents have also been received from the Local Government Audit Service, the National Oversight and Audit Commission, and the Association of Irish Local Government.

We are joined in the committee room by the following officials from the Department: Mr. Graham Doyle, Secretary General; Ms Lorraine O'Donoghue, principal officer; Mr. David Kelly, principal officer; Ms Sinéad Kehoe, finance officer; and Mr. Diarmuid O'Leary, principal officer. We are also joined remotely from outside the precincts of Leinster House by the following officials from the Department: Ms Fiona Quinn, assistant secretary, and Ms Sinead O'Gorman, principal officer.

As usual, I remind all those in attendance to ensure their mobile phones are on silent mode or switched off. Before we start, I wish to explain some limitations to parliamentary privilege, and the practice of the Houses as regards reference witnesses may make to other persons in their evidence. The evidence of witnesses physically present or who give evidence from within the

parliamentary precincts is protected, pursuant to both the Constitution and statute, by absolute privilege. However, two of our witnesses today are giving their evidence remotely, from a place outside of the parliamentary precincts, and as such may not benefit from the same level of immunity from legal proceedings as a witness physically present does. These witnesses have already been advised of this and may think it appropriate to take legal advice on the matter.

Members are reminded of the provisions in 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 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.

I invite the Comptroller and Auditor General, Mr. Seamus McCarthy, to make his opening statement.

Mr. Seamus McCarthy: Local authorities receive a substantial part of their annual funding from a wide range of central government Departments and agencies. As the stream of funds to local authorities is so complex, I report annually on the funds flow, drawing attention to the broad purposes for which the funding is provided.

Figure 3.1 in the chapter outlines the funding flows for 2020, indicating that the total funding provided amounted to around €6.1 billion. Almost two thirds of the transfer was issued from the Department of Housing, Local Government and Heritage, either from its Vote or from the Local Government Fund. Just under 18% of the funding issued directly or indirectly from the Vote for Transport, while a further 12% issued from the Vote for Enterprise, Trade and Employment, via Enterprise Ireland. The remaining 5% of the funding issued from a wide variety of sources.

Members should note that the relative percentages for 2020 reflected the significant impacts of special Covid-19 related funding. Stripping out that exceptional funding, the two main funders of the local authorities are the Department of Housing, Local Government and Heritage and the Department of Transport. In 2020, central government funding represented about two thirds of the total expenditure incurred by local authorities. This was significantly up on the situation in 2019, when about half of local authority expenditure was covered by transfers from central government.

The Department of Housing, Local Government and Heritage oversees the operation of the local government system, providing the policy framework within which local authorities work and deliver services to communities. It also sets the governance and assurance framework within which financial reporting by local authorities is undertaken and performance by local authorities is assessed and reported on.

The financial statements of each local authority are audited by the Local Government Audit Service, which is part of the Department but operates independently. Following each audit, the audit opinion and any matters arising from the audit are reported to the relevant local authority. A copy of each audit report is sent to the Minister for Housing, Local Government and Heritage. The audit service also carries out value for money audits of local authority operations, the results of which are reported to the Minister, and produces an activity report each year, highlighting both sectoral and authority-specific issues. All of the audit service's reports are published on the Department's website. The submission of the service's reports to the Minister provides

an opportunity for the Department to identify any emerging concerns across the sector or any outstanding concerns in individual local authorities that warrant follow-up.

The National Oversight and Audit Commission is a statutory body established in July 2014 to strengthen the oversight and scrutiny of the local government sector. It exercises this scrutiny by means of both overview and thematic reviews and, where warranted, may hold oral hearings on matters within its remit. It publishes an annual performance indicator report, providing comparative information in respect of local authorities across a broad range of services. Since 2017, it has been engaged in a programme of review of the performance of individual local authorities and has published reports arising from that process in respect of 17 local authorities. The commission publishes its reports on its website. Expenditure in respect of the activities of the commission activities is borne on the Local Government Fund. Although the Department provides accommodation and secretarial support, the operations of the commission are independent of the Department, as provided for by law.

Chairman: I thank Mr. McCarthy. Mr. Doyle is welcome back to the committee.

Mr. Graham Doyle: I thank the Chairman. I am pleased to be here to assist the committee in its examination of chapter 3, central government funding of local authorities. The Chairman has introduced my colleagues in attendance, who are mainly from the local government side of the Department. We look forward to discussing the arrangements for accountability and oversight of the local government sector in the context of the report. I have provided advance briefing material for the meeting, including my opening statement and responses to the questions we received with the letter of invitation.

I acknowledge the vital role local government plays in our society as the arm of government closest to the homes and businesses of our citizens. The role local authorities play and the services they provide are key to the good functioning, place-making, development and economic well-being of our communities. Never was that more obvious than during the pandemic, when local authorities were central to the community-led response that helped to protect people throughout our society, particularly the most vulnerable. They were also central to the sustainable reopening of our local economies when restrictions were lifted. The local government sector has again been asked to take on a key role, in co-operation with a number of Departments, in the Ukrainian humanitarian crisis. Local government has shown time and again it is willing and able to step up in these situations.

When we explore issues of governance, accountability and oversight arrangements in the local government sector, it is important we begin by acknowledging the constitutional status of local government. The twentieth amendment to the Constitution provided a constitutional basis for local government in Ireland as a forum for democratic representation and for the exercising of statutory functions at local level that are separate from the Houses of the Oireachtas. Local authorities, therefore, are independent statutory bodies with their own democratically elected councils and management structures. We would compare them with a board of directors of a corporate entity which is supported in the performance of its reserved functions by a full-time chief executive. The council, acting by resolution, decides on the policy of the local authority, and the chief executive operates within that framework of policy. The council enjoys powers to request information, issue directions, oversee the work of the chief executive and hold him or her to account. The council performs the primary oversight role in the local authority. The members of the council ultimately put themselves before the electorate every five years.

An internal audit function is in place in every local authority. It provides independent

opinion on the adequacy and effectiveness of the internal controls across the organisation and it provides assurance the significant operating risks are identified, managed and controlled. That function is independent in the performance of its duties and reporting. The chief executive is required to ensure the internal audit function is adequately resourced. The role of the audit committee was strengthened in the Local Government Reform Act 2014, making the committee a key component of local authority governance arrangements. The audit committee's independent role is to support the elected council by providing an independent assessment of the activities of management in controlling the local authority and the quality of the risk management, financial reporting, financial management and internal audit. The results of that are reported to and considered by the council. Within the organisational structure, the audit committee's position is to report directly to the council, and that maintains its independence from the executive.

The local government audit service, LGAS, performs the independent, external audit of local government, providing independent scrutiny of local authority finances. The local government auditor sets out, in the form of a management letter to the chief executive, any issues raised as part of the audit. That report, including the chief executive's response, is published on both the local authority and the Department's websites. The audit committee considers that report and prepares a report to the elected council for its consideration. The council considers the financial statements, the audit report and the report of the audit committee.

The Comptroller and Auditor General has mentioned the establishment of the National Oversight and Audit Commission, NOAC. The governance and accountability arrangements that the Comptroller and Auditor General and I have outlined are multilayered and robust. They have been set down in legislation made by the Oireachtas, most notably in the Local Government Act 2001, and the Local Government Reform Act 2014 strengthened them. The role of the Minister and the Department is to ensure an appropriate framework of policy and legislation is in place in relation to local government systems, including its structures, human resources, financing and broad oversight as set out in the Local Government Act 2001. The Minister does not have a role in individual decisions made by local authorities, except in a limited number of circumstances where there may be a specific statutory provision for ministerial approval.

In the context of this session to discuss chapter 3, it is important to note there are robust arrangements in place for ensuring appropriate oversight governing the flow of funds through Government sources to local authorities. Local authorities receive a substantial part of their annual funding from a range of central Departments and agencies, which the Comptroller and Auditor General has outlined. A significant element of funding comes from the Local Government Fund, and one of my colleagues runs the administration of that fund.

The Department has the necessary mechanisms in place to provide appropriate assurance about the regularity, propriety and efficiency of the Department's operations in the disbursement of public moneys, including the substantial funding going to local authorities. These mechanisms include the principles of public financial procedures and the public spending code as outlined in the Department of Public Expenditure and Reform's circular 13/2014, and they are underpinned by strong internal control systems, sound internal audit, audit committee arrangements and effective risk management. Funding from other Departments is subject to a similar control environment.

For funding provided to local authorities from this Department, the Department, as sanctioning authority, assesses each project and proposal for suitability, value for money, and compliance, including with the public spending code and statutory building regulations etc. Detailed grant approval, payment and performance monitoring arrangements are in place across all De-

partment funding arrangements. Overall, policy is set by Government but most often implementation is guided by a framework which is set at programme level. The Department rigorously analyses and evaluates that and it does so with the agreement of the Department of Public Expenditure and Reform. Local authorities operating projects under a particular programme do so under clear procedures and guidance set out in circulars and framework agreements.

The Department has continued to work closely with local government and will continue to do so, in recognition of the critical nature of the services local authorities provide to the public, which number in excess of 1,000 services. The highest standards in governance and oversight are also being applied to the disbursement and use of public funds, and this will not be compromised. My colleagues and I will be happy to respond to questions or issues that emerge in the course of the committee's work today.

Chairman: The lead speaker this morning was to be Deputy Kelly, but as I said earlier, he is as láthair. Deputy O'Connor has ten minutes, along with every other member, and there will be a second round.

Deputy James O'Connor: I welcome the officials to the committee and I thank them for the briefing they have provided. It is true that local government in Ireland does not get the level of scrutiny at an Oireachtas level that perhaps it should. I have been a member of a local authority, like many other members of this committee, and I want to ask Mr. Doyle if he thinks the current system is fit for purpose. The role of local authority members is not really defined as to whether it is full-time or part-time. For the sake of comparison, what a chief executive is on is many multiples the wage of a county councillor. Is that a sustainable model that is fit for purpose in a 21st century democracy where significant policy has to be analysed, zoning has to be looked at and many other key decisions have to be looked at? Let there be no doubt about the enormous power chief executives in particular have in this country when it comes to decision-making within their local authorities, which can cause substantial problems. Is that a model that will be sustainable going into the next decade? I do not think it is but I would like to get Mr. Doyle's opinion on it.

Mr. Graham Doyle: Local government has generally performed well, especially in recent times with some of the circumstances I have mentioned. People at local government level show great commitment and we see that from councillors. There have been a number of efforts to improve the situation the Deputy referred to and to support councillors over time. There have been developments such as the Moorhead report, there has been training, and efforts have been made to try to recognise some of the issues for people operating at local government level. In some cases people do it full time and in some cases they operate differently. It is clearly a challenging and onerous position for somebody to have and no doubt it requires a significant time commitment. Some of the efforts and reforms in recent years have been undertaken with that in mind.

Deputy James O'Connor: I have to interrupt Mr. Doyle because I am against the clock. The Department sat on the Moorhead report for a long time. I know it required a decision to be taken, which was done. I am in no doubt about the enormous workload that is on county councils. I am concerned about the model we have, where people are essentially in a full-time job where they have that full-time responsibility of analysing and scrutinising all of the work that has to be done within a local authority, which is enormous in some areas. I was a member of Cork County Council, which is one of the largest in the country in terms of its budget. I have a concern about the fact there are 54 members on that local authority and that the time commitments different individuals can give differ. It would be healthier for local governments in

Ireland if we had a full-time set position and policy was laid down by the Department or some analysis was done in that regard. The Moorhead report clearly showed the enormous work burden on members of local authorities in this country. I am not questioning that for one moment. I am questioning the model we have in this country, which we practically inherited from the United Kingdom after independence. It is not fit for purpose anymore. It is not the best way to go in order to ensure proper oversight of local governments in this country. Members of this committee will know how challenging it is for us to ask questions of local authorities because they are not very co-operative in many cases. I will not speak about any individual case.

I wish to move forward and ask about the requirement for local authorities to provide financial statements. There are many differences when it comes to auditing. Why is there not a requirement for local authorities' financial statements to be accompanied by a statement of internal control such as is required by the Department of Public Expenditure and Reform's 2016 code of practice for the governance of State bodies?

Mr. Graham Doyle: Local authorities are absolutely required to have a system of internal controls in place and to have it documented. That forms the bulk of the work carried out by the local government audit service. It audits that system of internal controls and reports to the council.

Deputy James O'Connor: What are the current requirements with regard to the disclosure of non-compliant procurement in the financial statements of local authorities?

Mr. Graham Doyle: It is probably a little more significant than in the private sector. I am a chartered accountant by profession although it is a long time since I have engaged in audit work. It is a little more significant in the sense that there are three reports from the local government audit service. One is the audit report itself, which essentially sets out the opinion of the local government auditor. The second is a report to members raising issues that in the view of the local government auditor the members should see. The third is a management letter, which is a standard feature of auditing and which seeks improvements, makes suggestions to management or points out issues they should address.

Deputy James O'Connor: The committee is aware that the Department does not provide all of the central government funding to local authorities but notes it is responsible for ensuring there is an oversight of the mechanism in place. Has the Department of Transport, the Department of Enterprise, Trade and Employment or any other Government Department consulted the Department of Housing, Local Government and Heritage about the oversight mechanisms in place within the local government sector?

Mr. Graham Doyle: As the Deputy knows, there is at an overall level a multilayered approach comprising public spending codes, requirements for audits, etc. We particularly engage with the Department of Public Expenditure and Reform over time with regard to those issues. We obviously talk with other Government Departments at times where it is required in respect of work that is going on with local authorities. Each Accounting Officer in every Government Department has a set of procedures. They are similar in many cases because they emanate from the same structures. Those procedures govern the programmes and the money that is dispersed to local authorities. The public spending code applies to local authorities in the same way it applies to Government Departments. As part of its work on scrutiny reports, the National Oversight and Audit Commission, NOAC, will do a particular piece of work around compliance with the public spending code.

Deputy James O'Connor: If a local control issue is identified as concerning by the audit service, does the Department of Housing, Local Government and Heritage give feedback to local authorities?

Mr. Graham Doyle: If concerns around the use of funding provided by our Department arise in the course of an audit, we would seek to follow up on them.

Deputy James O'Connor: How regularly would that happen? Surely Mr. Doyle knows that.

Mr. Graham Doyle: There are times when there are suggestions for improvement. My understanding is there has not been a qualified audit report in many years. It has not been of a particularly fundamental nature but regularly included in management letters in particular are suggestions for improvements and areas the auditors would like addressed. If those suggestions relate to areas we are funding, we will follow up.

Deputy James O'Connor: If a failure is identified, what happens within the Department in respect of the disciplinary process for chief executives or senior management within local authorities? How does the Department go about the process of ensuring that there is a level of accountability and that key actions are taken after something that might be problematic has been identified? Will Mr. Doyle take me through the process?

Mr. Graham Doyle: Audits will seek to raise large and fundamental issues but for the most part, in my experience of dealing with audits, they suggest ways to improve or highlight areas that may need improvement. Much of the work is not of a disciplinary nature. It is in the nature of continuous improvement and trying to make the system better and more robust.

Deputy James O'Connor: If a failure is identified, it is irregular for the Department to initiate any type of disciplinary procedure.

Mr. Graham Doyle: We do not have that power.

Deputy James O'Connor: Does Mr. Doyle think the Department should have that power? Would it improve value for public money? Would it improve accountability and transparency?

Mr. Graham Doyle: We must have the power to follow these things up and seek responses but the power in respect of disciplinary action rests with the council.

Deputy James O'Connor: Am I correct that the removal of a chief executive requires 60% of a vote at a council?

Mr. Graham Doyle: My colleague will probably know the answer to that. I am not entirely sure.

Deputy James O'Connor: I think it is bizarre. It comes back to what I said earlier. Reviewing what county councillors have to do as part of their work must be a big part of the work the Department does over the next ten years. The demands are constantly increasing compared with what they are facing from executives around the country. I am hearing that regularly from county councillors.

Deputy Imelda Munster: I wish to return to the question about the financial statements of local authorities and the fact there is no requirement for a statement of internal control as is required by the Department of Public Expenditure and Reform. Is that not a bit odd? The re-

quirement is obviously there because it is considered best practice to meet the highest standards when auditing public expenditure. Is there a particular reason for the exclusion of the requirement for a statement of internal control? Is it not strange that local authorities are exempt from that code of practice?

Mr. Graham Doyle: A statement of internal control can be quite detailed in many organisations. It is the basis on which whoever is carrying out the audit, in this case the local government audit service, carries out the majority of its audit tasks, as I understand it. Internal controls will be fully documented. They must be, in the context of allowing the local government audit service, or any auditor, to carry out its work. As the committee will be aware given its experience in these issues, audits have over time become focused on the system of internal control. In the past, they would have focused on substantive audit sampling and testing, and trying to draw assurances from that. It is generally regarded as much more important to look at the system of control itself and the controls and assurances it provides.

Deputy Imelda Munster: I will ask the Comptroller and Auditor General the same question. Does he think that the Department of Public Expenditure and Reform's code of practice represents best practice if one is to meet the highest standards? I am sure that is how Mr. McCarthy would do it, for reasons of transparency, etc. Does Mr. McCarthy not find it a bit odd that local authorities do not have to do that?

Mr. Seamus McCarthy: It is an anomaly in comparison to what is expected of other public bodies. The Department of Public Expenditure and Reform is the standard setter in respect of the accountability of public bodies in Ireland generally. It is, at the end of the day, a matter for the Accounting Officer to explain why there might be different treatment for local authorities. As the committee knows, I do not audit the local authorities. However, it is something that stands out as being a non-standard presentation of financial statements that there would not be a declaration by the responsible people in relation to the controls they operate. Particularly what would be missing would be an explanation, if there any weaknesses in control or any losses as a result of control lapses, that those would not be disclosed by the entity itself rather than leaving it to the auditor to identify them and report on them individually. That would be my view.

Deputy Imelda Munster: I thank the Comptroller and Auditor General. Would Mr. Doyle have any further comment on that?

Mr. Graham Doyle: I would particularly take on board the last comment the Comptroller and Auditor General made that it would be very important for an entity being audited to disclose any situation where an internal control procedure has failed or that there has been an issue around that. As somebody who in the distant past carried out audits, it is one of the first questions that I would have asked in those circumstances. I do not know if any of my colleagues want to come in on that. If it is regarded as an issue, it is certainly something that we can follow up and assess.

Deputy Imelda Munster: Local authorities' audits, when presented to the local authority, involve weaknesses in relation to the production of internal audit reports, timelines of management responses to auditors and a perceived lack of urgency in implementing recommendations that have been agreed. Mr. Doyle said a few minutes ago that the Department does not have the powers for disciplinary procedures, for example, if proper practise or best practise was not followed in relation to Exchequer funding and taxpayers' money. Has Mr. Doyle ever requested those powers, even to make a recommendation to a local authority where there were weaknesses and failures?

Mr. Graham Doyle: If we perceived or were aware of weaknesses or failures in relation to our programmes, we would make those known to the local authority. We would request action on those. We fund on the basis of our processes being complied with. We have got a lot of process that we put in place in relation to the disbursements of funding through our programmes and they need to be complied with where we are distributing money.

Our ultimate sanction, of course, is theoretically - “theoretically” is probably not the correct word - to suspend funding in a particular programme. I acknowledge that is often quite difficult to do because the public are depending on these programmes. That is a particularly important factor.

Deputy Imelda Munster: Would Mr. Doyle accept that the auditing of local government expenditure is most clearly not as robust as that of the Comptroller and Auditor General?

Mr. Graham Doyle: The Comptroller and Auditor General does not need me to say it is hugely respected and regarded as an incredibly high standard of audit but the Local Government Audit Service is also very well respected and very well regarded.

Deputy Imelda Munster: It is not as robust.

Mr. Graham Doyle: I would not say it is not as robust. I would have no basis for saying that.

Deputy Imelda Munster: Given the Comptroller and Auditor General’s previous response, would Mr. Doyle still insist that it is as robust?

Mr. Graham Doyle: The Comptroller and Auditor General’s audit process - this is not to speak for the Comptroller and Auditor General - and the Local Government Audit Service’s audit process focus on internal controls and what the Comptroller and Auditor General is referring to and what the Deputy was referring to at the start is the practice of publishing the statement of internal control, which is a slightly different thing.

Deputy Imelda Munster: Okay. If I can move on to non-compliant procurement, what is the current requirement for the disclosure of that in the financial statement of local authorities? Mr. Doyle said earlier, but he did not give much information. What is the overall percentage of the budget with local authorities that would be non-compliant procurement?

Mr. Graham Doyle: At an overall level, I do not have that figure. I am sure we could have it compiled and provided to the Deputy.

Deputy Imelda Munster: I would be grateful if Mr. Doyle could give us the total value of that as well. How is it recorded by local authorities and how is it reported to the Department? Does the Department keep track of it? Is it of interest to the Department? Has the Department any concerns about it?

Mr. Graham Doyle: Absolutely. In our case, if we are providing funding through any of our programmes, we require and the Department of Public Expenditure and Reform requires that procurement is fully complied with. There is a huge range of rules and regulations around that and they must be complied with. There are some exceptions in the case of emergency circumstances, etc. Obviously, some of those have arisen in recent years and in the interests of providing services to the public, but we would insist in relation to our funding programmes and we would follow-up and check in relation to the requirement for procurement procedures

to be followed.

Deputy Imelda Munster: Would the Department have no idea of even the percentage of the overall budget?

Mr. Graham Doyle: If it was a very significant percentage, I would hope that I would be aware of it and saying it to the Deputy this morning. The last time I was here there were a number of issues in relation to procurement that I answered questions on. There are always situations where issues will be raised in relation to procurement, particularly where some of the emergency powers or a particular set of circumstances prevailed.

Deputy Imelda Munster: Mr. Doyle might get those figures to us then.

Mr. Graham Doyle: We will get the Deputy those figures.

Deputy Imelda Munster: The National Oversight and Audit Commission, NOAC, and the Local Government Audit Service had agreed to appear before the committee and they have since refused to appear. Was Mr. Doyle given reasons or did he ask?

Mr. Graham Doyle: No. They are independent of us and they will make their decision. I could speculate. I am sure they have written back to the committee and given some reasons.

Deputy Imelda Munster: I say it in the context that the Exchequer has given more than €6 billion in funding. I am sure Mr. Doyle can appreciate that we would like to discuss the funding and have some oversight, and see that proper practise, etc., has been adhered to.

Mr. Doyle said they are independent. That is fair enough. We constantly hear references - I was a member of a local authority - to the independence and constitutional role of local government when, in reality, that is not the case. As long as local authorities are depending on Exchequer funding, there is very little independence. Then one would have the overbearing power of a county manager who, effectively, rules the roost.

Chairman: I thank the Deputy. We are going over time. Does Mr. Doyle want to comment briefly?

Deputy Imelda Munster: Would Mr. Doyle comment on that?

Mr. Graham Doyle: Sure. The independence piece is set down constitutionally, and under legislation. The Chairman will understand I would be reluctant to say anything else.

Chairman: The Local Government Audit Service does its work and it issues recommendations. The Department stated in March last that the implementation of the recommendations made is a matter for the management of the local authority. In the scheme of things, what the Deputy is trying to convey to Mr. Doyle is that councillors would be reluctant to take on the county management and whether it is implemented or not is a matter for the manager and the management structure within the local authority. The councillors have very little hope of being able to force that. In view of the discussion here this morning, what is clear so far is that the committee - it is not for me to decide - will discuss recommendations in relation to any report we issue on this, that there should be a statement of internal control for local authorities. Given the amount of money, they do very good work but it is clear that there is a weakness in that regard.

Deputy Colm Burke: I thank the witnesses for being here this morning and for dealing

with the questions being raised. My first question relates to the “RTÉ Investigates” programme on 23 March 2022. I will quote two examples they gave about the lack of accountability. The first example was Cavan County Council in 2017 and an allegation of fake invoices. An investigation was initiated but there has been no publication of the results of that investigation. The second example goes back further. It goes back to 2009 with Cork County Council. It was to do with land where the council had agreed to pay €11 million for lands in Charleville, which a number of months earlier had been sold for only €8 million. Again, an investigation was carried out but results were never published. It went back to 2009. This all raises the question about accountability. This is public money. It is taxpayers’ money and it is ratepayers’ money. How does the Department deal with a situation where there are investigations and still no reports have been published or made available to the public?

Mr. Graham Doyle: As the Deputy has said, the issues raised by the “RTÉ Investigates” programme, were taken over a number of years. A number of the situations referred to in the programme were actually taken from the reports of the Local Government Audit Service that identified some of those issues. In a number of cases, some of the situations that were noted in the programme were subject to Garda and other investigations.

Deputy Colm Burke: With the case in Cavan the report said there was no Garda investigation.

Mr. Graham Doyle: I will bring in my colleague who may be aware of some of the circumstances.

Mr. Diarmuid O’Leary: The first thing to say is that the Minister and the Department became aware of the case referred to by the Deputy, as part of a protected disclosure submission to the Minister. We have obligations under the Act to protect the identity of the discloser, and there are also rights given to people named in disclosures such as that, whether there are allegations against them or they are generally named. This is the first thing we must be careful about in the context of what is said in these instances.

The second point is that while the “RTÉ Investigates” report said there was no Garda investigation, in fact the information we have from Cavan County Council is that it was informed by An Garda Síochána that the file is not closed. It is not that there is no investigation, the open file remains open.

Deputy Colm Burke: That is a great line with regard to “We cannot give you any information”. I would like someone from An Garda Síochána to confirm that the file is not closed. Certainly, RTÉ did not get that information.

Mr. Diarmuid O’Leary: We must act on the information we are provided with.

Deputy Colm Burke: Perhaps the Department could give the committee some clarification on this issue. I like it when people can give me the full facts but in this case they are saying that there was no Garda investigation. Now we are being told something different inside here. Will the Department come back to us with clear information that there is still an ongoing Garda file and that it is not closed?

Mr. Diarmuid O’Leary: As I said, we can certainly come back to the Deputy, but the information provided by Cavan County Council is that the file is not closed.

Deputy Colm Burke: I will move on to something more recent. I do not see in any of the

reports an acknowledgement of the contribution of commercial ratepayers to local authorities. It must be remembered that they pay a substantial sum of money to local authorities. It might be interesting to get a full breakdown of the total amount of commercial rates that are collected from the private sector by all of the local authorities. Perhaps that could also be sent on to the committee.

Mr. Graham Doyle: I have that in my file this morning and we can forward that on to the committee quickly.

Deputy Colm Burke: I apologise for raising something that is very local but I wish to move on to this recent issue, which is the extension of the city boundary in Cork. It is a very welcome development in that there are now two local authorities dealing with planning and all of the other issues in relation to their areas. There is a situation, however, where there are 50 court orders and a dispute with the local authorities as to who has responsibility. Together with my three colleagues in Cork North Central, we wrote on 22 of June 2021 to both of the chief executives and to the Department looking for clarification. Four Deputies signed that letter. Here we are, 12 months later, and nothing has happened. These are 50 court orders relating to breach of planning. Nothing has happened on this. It is not acceptable that nothing has happened on this over the 12 months to date. There seems to be an internal dispute over whether the county council should pursue it or the city council should pursue it. Again, this is about public accountability. There are 50 court orders for breach of planning that were secured by the county council but the properties are now in the jurisdiction of the city council. There is a dispute now over who should take the next step.

Mr. Graham Doyle: I will bring in my colleague Ms Fiona Quinn on that matter.

Ms Fiona Quinn: I am certainly aware of that issue and the Department is considering it. Obviously, the situation of the extension of the boundary for Cork city is an unusual one. It has worked very well but there are small technical issues like this that we are trying to work through. We are seeking legal advice on that matter just to clarify where the responsibility lies. We hope to have this resolved before the end of July.

Deputy Colm Burke: My understanding is that the papers were sent to the Attorney General six months ago. Surely we are talking about-----

Ms Fiona Quinn: As I said, it is very complex.

Deputy Colm Burke: -----we are talking about breach of planning, court orders being in place and no action being taken. Rate payers and taxpayers are paying for a service from their local authorities and action is not being taken where people have totally flouted the law. Everyone who has complied with the law is paying up their full amount of taxes and full amount of rates, yet people who have flouted the law are being left scot-free because there is now an internal issue between two local authorities.

Ms Fiona Quinn: As I have said, the extension of the boundary has worked very well in general-----

Deputy Colm Burke: I accept that.

Ms Fiona Quinn: -----and there has been very good co-operation between the two local authorities-----

Deputy Colm Burke: Can we have a timeline by which action will be taken on this?

Ms Fiona Quinn: I believe we will have a resolution - we will certainly have our own legal advice and views on this - and come back to the two local authorities in the month of July.

Deputy Colm Burke: I also wish to raise the issue about the collection of rents from local authority housing. Can we get a breakdown from each local authority on the arrears? I understand that it is about €80 million across the entire State. Can we get a breakdown on what is the annual rent collected by each local authority from housing and what are the arrears that have now accumulated? How do we intend to deal with that going forward?

Mr. Graham Doyle: We can give the Deputy that breakdown. I know that we have it and we can get that to the committee.

Deputy Colm Burke: Can we also get a reason there is such a variation? Some local authorities work very closely on this. Obviously there are tenants who do run into difficulties, and this must also be considered, but some local authorities seem to work very effectively while others seem not to be as effective in dealing with the issue.

Mr. Graham Doyle: There are different systems and approaches within the local authorities with some of these issues. This is an area where sharing best practice and learning from each other through the work of the Local Government Management Agency, the National Oversight and Audit Commission and the audit reports may bring a little bit more consistency to some of these issues. Perhaps Ms Quinn or Ms O’Gorman would like to come in here. This is an issue on which they may have little bit more knowledge.

Ms Sinead O’Gorman: The rent arrears at the end of 2020 were €94.6 million in the local authorities. That had increased from €88.2 million in the previous year. The rents are calculated in accordance with each council’s differential rent scheme and are collected from local authority tenants. As the Deputy has said, the rents collection performance of each local authority varies. It is shown in appendix No. 7 of the latest local authority financial statements. Practices vary. Where large differences like that appear, although we have no role to compel any action with the local authority, we would advise the finance team in the local authority to engage with other local authorities where best practices have emerged and collection rates would be higher. There are different circumstances prevailing in the different environments of local authorities, including the range of urban and city-based authorities and more rural-based authorities. When it comes to collection of rents or rates, where there are highly performing local authorities, we ask the other local authorities to perhaps engage with them and try to apply best practice themselves. We have seen over the years that collection level of rates have improved massively.

Deputy Colm Burke: I raise a final question regarding taking in charge of properties.

Chairman: I will allow the Deputy back in later. That is a new subject, in fairness.

Deputy Jennifer Carroll MacNeill: I thank the witnesses for coming in. To pick up on Deputy Burke’s point, there is a sense of relying on going back to best practice where there are variations between councils, as Ms O’Gorman mentioned, and coming together in the Local Government Management Agency, LGMA, and other places. There was mention of having one council speak to another about applying best practice. This highlights an ongoing concern for the committee about a failure of centralised control over these matters. We are talking about €94 million this year and €88 million last year. Those are large sums and just one element of local government performance and delivery of services.

My concern, as the committee notes, is there may be insufficient controls centrally in this regard. What is Mr. Doyle's role as Secretary General of the Department with the councils, for example? How does he follow up exactly that point where there is a different treatment in collecting rent? What is his follow-up with councils about that?

Mr. Graham Doyle: If the moneys are due to our programmes, we will follow up those matters with the council and engage with them. We will find out what the issues are and try to find ways to suggest improvement. As Ms O'Gorman suggests, one of the ways to do this is trying to see what is working well elsewhere and replicate it. We may also work with the LGMA on such matters. If the income stream comes directly back to the council and into the council's own funds, we are always interested in seeing best practice applied in such circumstances.

Deputy Jennifer Carroll MacNeill: I appreciate that. It is similar to what Mr. Doyle said earlier, but, again, it goes back to my concern about asking the councils to speak to each other, pick up the phone and hand-hold our way through the process. What happens after that. What is the next step? This is where there a concern about auditing, so what is next?

When we look at the Department accounts versus local authority accounts, for example, we can see clearly on the Department side the streams of social housing delivery, for instance, and where it is intended. We cannot see that on the local authority side. There is an inconsistent standard applied between them. For example, I have a concern about social housing delivery. We have been relying on the construction status report, where we might get detailed information, and we have not seen it for the first quarter of this year. It is now the end of June. Where are we on that? These are the mechanisms the Department has put in place in order to co-ordinate delivery from local authorities in the absence of being able to do anything else to effect consistent local authority delivery.

Mr. Graham Doyle: In areas of delivery by local government, we monitor housing programmes and engage on a continuous basis.

Deputy Jennifer Carroll MacNeill: It is about more than monitoring. There was a structure put in place in respect of the construction status report. When will that be published for the first quarter of this year?

Mr. David Kelly: It is being finalised and it will be published next week.

Deputy Jennifer Carroll MacNeill: It will be next week. Where do we expect delivery to be for local authorities and approved housing bodies?

Mr. David Kelly: There is a strong pipeline and very significant numbers of projects commenced over the past few months. I do not have the exact figure and it was being finalised yesterday.

Deputy Jennifer Carroll MacNeill: Is it up or down on the fourth quarter of 2021?

Mr. David Kelly: I do not have the figure on me. It is being finalised, but I have not been given the final report. It is being compiled. I expect we will have it in the coming days. It will certainly be published before the end of June.

Deputy Jennifer Carroll MacNeill: This is being published next week. It is exactly what I mean. We have a housing crisis and we are trying to effect delivery. There is a substantial body being given both to the Department and local authorities to do that. These numbers are

extremely important to us. The inconsistency between local authorities and approved housing bodies and deliveries from those is one of the reasons this was centralised. When Mr. Doyle was here before, we spoke about changing the four-stage process into a one-stage process and that was for departmental oversight and control in order to effect better or speedier delivery with local authorities. How has that been going? What is the pipeline in respect of that? How many have been delivered through that changed process?

Mr. Graham Doyle: The process changed and there was a certain slowness in the uptake of it in terms of moving to the single stage for certain projects below the €6 million threshold. Mr. Kelly has figures for how many have used the single-stage process; I believe it is of the order of 90.

Mr. David Kelly: Yes. There are 90 separate projects and approximately 600 units. On the process itself, the aim is to balance an efficient approvals process with public value for money. There is an action in Housing for All for us to review those approval processes and make them as streamlined as possible. A working group was set up late last year with Mr. John O'Connor, a former chief executive of the Housing Agency, as chair. We were looking at de-risking potential delays and looking at providing funding for pre-application site assessment by local authorities to speed up that aspect. We were looking to support local authorities with the use of single-stage processes where possible.

There have been cases, I suppose, where local authorities have enjoyed the comfort of working through the four-stage process and the support provided by the Department and the technical team. Some local authorities have chosen to go through that four-stage process because it is a well understood system that is robust and provides a very thorough evaluation of the project. There is robust oversight of procurement and design. Some local authorities have chosen to continue using that.

Deputy Jennifer Carroll MacNeill: I understand. It is interesting because when this was introduced, it was set out - perhaps it was just a perception - as a panacea for social housing delivery. The idea was that the block arose from the big, bad Department causing too much of an obstruction for local authorities. A number of 600 units nationally coming through the one-stage pipeline seems very low. Is it lower than expectations?

Mr. David Kelly: The teams in the Department would work with local authorities to encourage them to use it and support them in doing that. Under Housing for All, one of the key issues is building the capacity of local authorities and teams. Last year, the Minister approved an additional 250 staff for the local authority sector specifically for social housing delivery teams. The majority of those are technical resources so we are building the capacity of local authorities to design and deliver housing schemes. Most of those posts are engineers, architects and technicians. We are really working to build the capacity of local authority to develop schemes.

We are also enhancing the role of the Housing Agency to support both local authorities and approved housing bodies to develop and deliver schemes. That capacity building will support local authorities.

Deputy Jennifer Carroll MacNeill: We have been doing this for a really long time and one of key measures of the Department is about effecting delivery. As Secretary General, Mr. Doyle has the largest housing budget there has ever been. That is in addition to the broad stream of local authority funding. Is Mr. Doyle satisfied the departmental controls are sufficient in chasing up local authority delivery? Is he satisfied that the mechanisms are there to do it?

Forgive me if I am wrong, but I believe the Departmental does not provide a quarterly update to the relevant joint committee as it did previously. I do not see the construction status report, although I appreciate that it will be out next week. Nonetheless, Mr. Doyle cannot provide me with any details in respect of it. Is he satisfied that there is sufficient departmental oversight over and accountability in respect of local authorities on this matter?

Mr. Graham Doyle: Yes. There is a huge amount of oversight and accountability. What I am very anxious to do might be slightly dangerous to say it before the Committee of Public Accounts. On one level, we must control and be careful around the use of State money in the context of all the processes and procedures we have in place. At another level, we must ensure the projects are delivered and houses get through. We must balance the scrutiny with delivery. It is very important we work with the local authorities in that respect.

Deputy Jennifer Carroll MacNeill: I do not disagree with that.

Mr. Graham Doyle: There were just over 5,000 social houses delivered each year over the past couple of years. This year, our target is 9,000. We are striving very hard to reach that.

Deputy Jennifer Carroll MacNeill: That is exactly my point. Those build figures in quarter 1 of 2022 are very important in that.

Mr. Graham Doyle: We will probably see more in quarter 2 and onwards this year. We were hopeful that 2022 would have a little bit more balancing of the delivery of final housing output over the course of the year. As the Deputy knows, it has long been the case that much of the delivery shows up in the last quarter.

Deputy Jennifer Carroll MacNeill: Yes, but also from the purchase of turnkeys.

Mr. Graham Doyle: There is much less of that now.

Deputy Jennifer Carroll MacNeill: Going back to the Accounting Officer role, Mr. Doyle mentioned the importance of ensuring value for money. I want to take up on the point that the committee identified earlier about having more assurances for control, weaknesses being identified, and putting appropriate controls in place to manage those risks. Will Mr. Doyle commit to the committee that a Department of Public Expenditure and Reform, DPER, code of practice for the governance of State bodies will be adopted by the 31 local authorities?

Mr. Graham Doyle: A DPER code of practice?

Deputy Jennifer Carroll MacNeill: Or a code of practice that is at least similar to the standards in DPER for the other public bodies. There is a gap here.

Mr. Graham Doyle: My understanding is that those standards do apply. The code of practice applies in full to local authorities. That is my understanding of it.

Mr. Seamus McCarthy: It may come back to the point about the disclosure of the statement on internal control, SIC, and disclosures that are required in the code of practice are not required of the local authorities. Obviously, the standards in terms of the protection of assets and compliance with procurement and so on are there as obligations. Going back to what we were discussing earlier about the SIC, an auditor typically audits something that exists. If the declarations do not exist, it is much more difficult for the auditor to carry out a programme of work that would address whether it is compliant, complete and accurate.

Deputy Jennifer Carroll MacNeill: That is exactly it.

Mr. Graham Doyle: My colleague has just told me that as part of the review work going on at the moment, one of the considerations is actually the requiring of that statement to be published.

Deputy Jennifer Carroll MacNeill: That is very helpful. Is that a commitment? When the review work is complete will that be done, so that the next time the Department comes before the committee that will be in place?

Mr. Graham Doyle: What is required for us to make it a requirement? Is whether it is done under regulation or-----

Mr. Diarmuid O’Leary: We are coming up with a new framework of corporate governance for local authorities which will be based on the DPER model and will include a statement of internal control requirement on local authorities.

Deputy Jennifer Carroll MacNeill: Does Mr. O’Leary have a timeline for that, please?

Mr. Diarmuid O’Leary: During the course of this year. It is an ongoing process. We have involved a number of units within the Department. The sector is also involved in coming up with this framework. It is an ongoing process but hopefully it will be in place by the end of this year.

Deputy Verona Murphy: Good morning everybody. I missed the meeting the last time the Department was before the committee, unfortunately.

Believe it or not, it is ten years since the Mahon tribunal took place. Did Mr. Doyle ever read the 3,000-page report?

Mr. Graham Doyle: I cannot say I did.

Deputy Verona Murphy: That is fine. One of the findings was that we restore and underpin confidence and transparency in the local government system and according to the then Minister of State, Jan O’Sullivan, that reform was going to be swift and emphatic. The “RTÉ Investigates” programme of March 2022 and the systemic failures uncovered revealed false accounting and employee fraud. Instead of transparency and reform, the programme found question marks and secrecy. Does Mr. Doyle agree that the power local authorities have is immense and that the public must have confidence in the local authority system?

Mr. Graham Doyle: The local authority system is a huge animal. It has-----

Deputy Verona Murphy: I know what it is but I am asking Mr. Doyle if he agrees that it has immense power - “Yes” or “No”.

Mr. Graham Doyle: What does the Deputy mean by “immense power”?

Deputy Verona Murphy: Mr. Doyle has said a number of times today that local authorities are independent in making certain decisions. Does he agree they have immense power?

Mr. Graham Doyle: They are often the biggest entity in their county in terms of employment-----

Deputy Verona Murphy: Dealing with vast budgets.

Mr. Graham Doyle: -----or large budgets and all of that. With that comes-----

Deputy Verona Murphy: They make all the decisions regarding roads. There are vast numbers of decisions made. In my case, 150,000 people live in Wexford and the local authority deals with them. If Mr. Doyle was employing senior officials at local authority level, would he say that they should be of the highest integrity, trustworthy and honest?

Mr. Graham Doyle: I would say that of any public official.

Deputy Verona Murphy: Does the budget of €6.1 billion in Mr. Doyle's Department carry significant risk management?

Mr. Graham Doyle: Yes, of course it does.

Deputy Verona Murphy: Yes, it does. So there is a huge obligation on the Department.

Mr. Graham Doyle: Yes.

Deputy Verona Murphy: Are all the senior official level employees that have access to or have anything to do with that budget sufficiently vetted by the Department?

Mr. Graham Doyle: At assistant secretary level and above-----

Deputy Verona Murphy: At local government level.

Mr. Graham Doyle: Sorry, I thought the Deputy was talking about the Department. At Department level, most senior officials go through the public appointments process through the top level appointments committee, of which I am a member, which include a mixture of private and public sector people for each competition.

Deputy Verona Murphy: The question is are they vetted properly? Is Mr. Doyle happy as Secretary General of the Department with regard to risk management, that senior officials at local level and in his Department are vetted properly?

Mr. Graham Doyle: The word "vetted"-----

Deputy Verona Murphy: It is part of the risk management strategy.

Mr. Graham Doyle: We seek to get the highest quality individuals we can.

Deputy Verona Murphy: Does the Department have a system in place that assure it of that?

Mr. Graham Doyle: Within the Civil Service; yes, absolutely.

Deputy Verona Murphy: Is Mr. Doyle happy that they are vetted properly?

Mr. Graham Doyle: Yes.

Deputy Verona Murphy: And Mr. Doyle is happy that it is part of a risk management strategy?

Mr. Graham Doyle: Yes, of course.

Deputy Verona Murphy: In Mr. Doyle's capacity as Accounting Officer and Secretary

General, on foot of the “RTÉ Investigates” programme in the context of councils in Cavan, Mayo, Cork, what did he do to deal with those situations? I do not want to hear that most of it was upturned on the basis of auditing. I want to know what has happened since to ensure that it does not happen again. What did he do?

Mr. Graham Doyle: The overall system of control, which has a variety of layers to it as I described earlier, ensures that the range of issues are highlighted, identified and-----

Deputy Verona Murphy: When did that system come into place?

Mr. Graham Doyle: That system has been in place and has been developing for a long period of time.

Deputy Verona Murphy: How did it arise if that is the case?

Mr. Graham Doyle: How did the system arise?

Deputy Verona Murphy: How did these situations - false accounting, fraudulent invoicing, employee fraud - arise? What did Mr. Doyle do since the public became aware of this through “RTÉ Investigates”? What did he do personally as the Secretary General? Did he do anything?

Mr. Graham Doyle: I am satisfied that the overall system, in terms of the overall controls of expenditure of public money, is designed to call out situations where issues, anomalies or frauds or anything else arise.

Deputy Verona Murphy: I will be more direct because I do not have time. Has anyone been put on garden leave?

Mr. Graham Doyle: No, and we would not have the power to do that.

Deputy Verona Murphy: Have there been no suspensions?

Mr. Graham Doyle: We would not have the power to do that in local authorities.

Deputy Verona Murphy: I will probably come back to that because there is a situation in the Department of Health in which someone gave us vast amounts of information that was critical to how we understand funding and how Departments spend money, and that individual was suspended for doing a public service. It is beyond me that following the “RTÉ Investigates” programme nothing happens.

Mr. Doyle agrees with me anyway that senior officials are fully vetted, they have to be of the highest integrity, trustworthy and honest in their dealings. I will revert to the three councils mentioned in the report at another time. Mr. Doyle said that he has nothing to do with that, so I will ask him a question. If a chief executive position were to become available in a local authority and the only eligible candidate with all the credentials who could be given the job is, unfortunately, a convicted rapist or mass murderer, would Mr. Doyle give him the job? That is a very binary question and requires a yes-no answer. I am talking about someone who has all the credentials, is eligible and is entitled to it for all the right reasons except that. I ask Mr. Doyle to answer “Yes” or “No”.

Mr. Graham Doyle: Within a council, it is not up to me who gets a job but-----

Deputy Verona Murphy: As the Secretary General of a Department, Mr. Doyle is saying

that if a convicted rapist is going to-----

Mr. Graham Doyle: No, I am not saying that, Deputy.

Deputy Verona Murphy: Yes, but I am asking you to answer my question. You are saying it is not your job to give them the job. If it happened that a chief executive had that kind of criminal record or any record behind him, would you sign off on it without doing anything about it?

Mr. Graham Doyle: I just cannot see that arising, Deputy.

Deputy Verona Murphy: I did not ask you that. I asked what you would do if it did happen. Would you say that you have nothing to do with the matter? Is it the case that as the Secretary General over the Department on a vast salary, you would not make any interjection or do anything? Even though senior officials are supposed to have credentials like integrity, trustworthiness and honesty, would you have nothing to say about a mass murderer or a convicted rapist?

Mr. Graham Doyle: The employment of the chief executive is decided on by the elected members of the council who have to put themselves before the electorate every five years.

Deputy Verona Murphy: Is it the case that you have no input whatsoever? Under the standards in public office regime we operate, if somebody of that profile applied for a job and was given it by one of the county councils, would you have nothing to say? Are you telling me that?

Mr. Graham Doyle: I might have a lot to say but I do not think I have particular powers.

Deputy Verona Murphy: So you are telling me-----

Chairman: Deputy, just a second. Let us just hold on-----

Deputy Verona Murphy: Chair, I do not want to run out of time.

Chairman: Just a minute now. I will give you an extra minute, but just for clarification-----

Deputy Verona Murphy: It is a very straightforward question.

Chairman: In fairness to the witness, it would be helpful at this stage if Mr. Doyle outlined what the process is if a vacancy comes up for a county manager.

Deputy Verona Murphy: Sure we do not need to know the vacancy, Chair.

Chairman: I am sorry, Deputy. I will make sure you get your time-----

Deputy Verona Murphy: He has said they are vetted.

Chairman: You are asking a very important question. I am trying to help you. I think it would be helpful at this stage for all of us-----

Deputy Verona Murphy: Well I think-----

Chairman: Bear with me, please.

Deputy Verona Murphy: I will need the time then, Chair.

Chairman: A manager to be appointed comes before the council. I know because I was a member of a local authority. The members have to approve it. Will Mr. Doyle outline briefly what happens before it gets to that stage? How does it get to that stage? If Verona Murphy goes forward to be the chief executive of Wexford County Council, what happens before we get to the point where she comes before the members? I ask Mr. Doyle to be brief.

Mr. Graham Doyle: Ms Quinn will answer that question much more quickly than I will.

Chairman: I ask her to be brief. I am seeking this clarification in order to be helpful. I will let Deputy Verona Murphy back in then.

Ms Fiona Quinn: The competitions for chief executives are run by the Public Appointments Service, PAS. It is an open competition process. Anybody can apply for it, obviously, if they meet the criteria for it. The PAS board will have two external members on it and two members nominated by the Department, one of whom would normally be me or the assistant secretary who holds the role in the local government division. They then go through an open process. There are a number of stages to it. There could be shortlisting and a preliminary interview, and then there will be a final interview which might include presentations. A whole process of assessment is done by the PAS, including all the normal vetting you would expect any public servant to go through, including Garda vetting. Indeed, a significant psychometric analysis test is done as well. It is a very extensive process and takes quite a bit of time. The PAS will then make a recommendation to the council, and the council will decide whether to appoint the chief executive designate.

Deputy Verona Murphy: Okay, so the-----

Chairman: The Deputy may proceed.

Deputy Verona Murphy: I am going to have to take a few minutes to finish this out.

Chairman: Go on. You have another two minutes.

Deputy Verona Murphy: Ms Quinn is saying that the Department has an involvement in that it vets the potential applicants and then makes recommendations to the county councillors. Is that correct? The Department goes through all that process.

Mr. Graham Doyle: The PAS goes through the process, Deputy.

Ms Fiona Quinn: Yes.

Deputy Verona Murphy: Ms Quinn is on the PAS. Is that not what she said?

Ms Fiona Quinn: I can clarify that. In relation to the interview board, the PAS runs the process. It is responsible for running the process. It will ensure there are representatives with appropriate skills on the interview board and it will generally invite someone from the Department to be involved in that.

Deputy Verona Murphy: I have a quick question.

Ms Fiona Quinn: I will be a member of the interview board but I will be there-----

Deputy Verona Murphy: I have a quick question. That is enough.

Ms Fiona Quinn: -----for my skill set.

Deputy Verona Murphy: If an applicant had a very damning SIPO finding alongside their application, would they move on and would they be recommended? Would somebody like that, for instance, be recommended?

Ms Fiona Quinn: They would have to clear the PAS process which, as I have said, would include Garda vetting. If there was a SIPO finding against somebody, that would not necessarily form part of the Garda vetting process.

Deputy Verona Murphy: No, Garda vetting would be completely different. From the position of being a senior official as a civil servant in local government, surely standards in public office would have the highest standing, even over or equating with Garda vetting. Would Ms Quinn agree with that?

Ms Fiona Quinn: I think-----

Deputy Verona Murphy: I will just read something like this now. This is what has been reported. The commission found that the “content, tone, style and language” of the emails issued were not appropriate and “fell below what is expected of someone in his position”. It concluded that the contraventions were “serious” and were committed “recklessly” by Mr. Enright, who did “not act in good faith” and failed “to maintain proper standards of integrity”. Clearly something like would not pass the process, surely. You might want to go back now to the Secretary General, Chair.

Chairman: For someone who is not here, Mr. Enright-----

Deputy Verona Murphy: That was publicly reported in the paper.

Chairman: Okay. That is all right.

Deputy Verona Murphy: I am reading from the actual SIPO report.

Chairman: I understand that. The Secretary General may want to respond.

Deputy Verona Murphy: I can ask the question now that I was coming to. The Secretary General said he was not involved. We find ourselves in a position. I am not sure how many chief executives of county councils there are in the country. Does Mr. Doyle have a quick figure?

Mr. Graham Doyle: There are 31.

Deputy Verona Murphy: All right. How many of the 31 chief executives does Mr. Doyle think have a damning SIPO finding behind their position as chief executive?

Mr. Graham Doyle: I do not have data on that but-----

Deputy Verona Murphy: He would know if they did, would he not?

Mr. Graham Doyle: -----I assume it is very rare.

Deputy Verona Murphy: It is one, I would imagine.

Mr. Graham Doyle: Okay.

Deputy Verona Murphy: That one person has been appointed to the Housing Finance Agency by the Minister since that finding was made. I have a question for Mr. Doyle on what

he said to me. As Secretary General, does he advise the Minister in any shape or form on appointments such as this? He had said that all senior officials should be of the highest integrity and should be trustworthy and honest. This poor chief executive has a very damning SIPO finding, bearing in mind that SIPO carries out investigations on just 3% of complaints. He has been appointed to a board that administers a €5 billion budget. Has the Secretary General anything to say about that?

Mr. Graham Doyle: Chairman, the Minister made the appointment the Deputy is referring to. We are getting into the space here-----

Chairman: Okay.

Mr. Graham Doyle: -----of commenting on individuals and you warned me against that in your opening remarks.

Deputy Verona Murphy: This is a matter of public record.

Chairman: In the interests of clarity, would you normally advise the Minister on matters like that? I am not asking about that situation specifically but in general.

Mr. Graham Doyle: People are appointed to bodies in a range of circumstances. Quite often it goes through the PAS. I am not sure if that happened in that particular case. Usually, what happens in that process is that a list of eligible people who have met certain criteria is put forward to the Minister. At that point it is the Minister's choice.

Chairman: Okay. I thank Mr. Doyle. Deputy Devlin is next.

Deputy Verona Murphy: I will come back in, Chair.

Chairman: Yes.

Deputy Cormac Devlin: I thank the Chair. I welcome Mr. Doyle and his colleagues. It is good to have them before the committee. I will begin by referring to the issue around NOAC, as well as the local authority audit committees and the LGAS. Specifically, what is the difference between the LGAS and NOAC? Do their processes run in parallel to each other? How do they interact with the Department, for example?

Mr. Graham Doyle: NOAC is a body under the aegis of the Department. The LGAS is part of the Department but operates independently, so the funding etc. comes through the Department. The LGAS is purely an audit service. It carries out standard financial audits and value-for-money audits. It does so across the local government system and also in respect of one or two other bodies that have been assigned to it. NOAC has a different role, which is really about monitoring overall performance, outputs and standards within the local government sector. It looks at financial performance but it also looks at overall performance. It looks at a range of things like compliance with the spending code, for example. It looks at best practice across the local government system. One particular tool it uses now, which was referred to earlier, is the scrutiny report process. The Comptroller and Auditor General mentioned that there were 17 of those. Each local authority goes through a two-stage process for going about that work and reporting on it. My colleague Ms Quinn has very strong knowledge of NOAC and-----

Deputy Cormac Devlin: I have a few questions specifically on Ms Quinn's area of expertise. It was said that the National Oversight and Audit Commission hosts oral hearings from time to time. I appreciate that is an outside body but could the witnesses furnish the committee

with information on that? If not today they might be able to send a note afterwards. How many oral hearings did the commission hold in 2021?

Mr. Graham Doyle: Ms Quinn may know that but if not, we will get that information for the Deputy.

Ms Fiona Quinn: I will have to check that information. It has held 18 scrutiny meetings with local authorities to date and there are more planned for this year. I am not sure whether they were all in person or whether some of them were virtual due to Covid. We can get that information for the Deputy.

Deputy Cormac Devlin: I thank Ms Quinn. How does a scrutiny meeting differ from an oral hearing?

Ms Fiona Quinn: The oral hearings are really scrutiny meetings. The commission can hold meetings on any issue it wishes but when inviting in the chief executive and management team of a local authority, it tends to call them scrutiny meetings.

Deputy Cormac Devlin: I had a look at some of the reports on the website which, in fairness, is laid out very well. Some of the issues, as Mr. Doyle has said, highlight governance or compliance issues. Looking at some of the council reports and the audits of the Local Government Audit Service, some of the issues in local authorities are recurring year on year. Some relate to compliance in tendering and so on and some are internal issues. How does the Department interact and engage with those local authorities on those specific issues? Am I right in saying there is a specific section within the Department that liaises with the local authorities on audits?

Mr. Graham Doyle: We have a local government section within the Department that engages in the overall framework with the local authorities and deals with the Local Government Fund and so on. The Local Government Audit Service is attached to the Department but operates independently of it.

Deputy Cormac Devlin: I appreciate that.

Mr. Graham Doyle: I recently spoke with the director of audit about the trends and what she is seeing as she audits local government. My strong impression from that conversation was that she is seeing a lot of improvement in the quality of the internal audit functions within local government. She is also seeing much better representation at audit committee level. A lot of people with very strong professional skills and relevant skills have come onto audit committees over the last number of years, for whatever reason. Regarding the trends and some of the same issues occurring, she said it is not that improvement is not happening in those situations. She is seeing improvement but quite a number of issues are raised year after year because they are being unwound over a number of years.

Deputy Cormac Devlin: I would take exception to that. With a number of those reports, particularly around tendering, nothing needs to be unwound; it needs to be implemented. We are talking about a sizeable amount of public money. What is being done, either by the Department or by the audit section, as part of a carrot-and-stick approach to ensure local authorities comply on issues that are clearly being repeated year after year? The problems my not specifically relate to the same contracts but there is a lack of compliance in the organisation. What can be done about that?

Mr. Graham Doyle: With tendering and procurement, there will always be situations that are allowed for and exceptions. There will always be situations of emergency or-----

Deputy Cormac Devlin: These are quite specific.

Mr. Graham Doyle: Beyond that, if it is an issue with our programme spend, we are strongly looking at that.

Deputy Cormac Devlin: What does that entail?

Mr. Graham Doyle: It means we will engage with the local authority, particularly on future performance. We would be very specific when it comes to our programmes that tendering must be complied with.

Deputy Cormac Devlin: If a local authority were non-compliant year on year, say to the tune of €1 million, could the Department withhold funding from the Local Government Fund? Is that option open to the Department to try to instil the seriousness of non-compliance in local authorities?

Mr. Graham Doyle: Withholding or suspending funding is ultimately open-----

Deputy Cormac Devlin: Has that been done?

Mr. Graham Doyle: Not that I am aware of. It has not been necessary to do that. I mentioned this earlier when that point was raised. There can be a difficulty with that because we would not want the ultimate recipient of the service, that is, the person or the public, to be the one who suffers.

Deputy Cormac Devlin: I appreciate that.

Mr. Graham Doyle: In general, our arrangements, engagements and relationships with local authorities are such that we can work with them to improve situations like that if there are problems.

Deputy Cormac Devlin: I ask the witnesses to take a look at that issue. Considering Mr. Doyle's recent conversation with the local government auditor and audit section of his Department, he might look at that for the next time we discuss this issue.

I would like to ask Ms Quinn about the Public Appointments Service process. There are a lot of vacant positions, as the witnesses will be more than aware, across the local government sector. I have heard reports that it is taking months to fill those positions but that is not because of a lack of applicants. The applicants and panels are there. It is all taking too long to deliver. What can be done in that regard?

On the local property tax, do the witnesses have figures for the number of deferrals being availed of across the country? If not, I ask them to send them on. I would like to know the percentages and numbers of people availing of a deferral of the payment of their property tax. Since new homes from 2013 to today are now liable, maybe they could include those figures as well.

Ms Fiona Quinn: Recruitment is done by the Public Appointments Service at senior level on behalf of the local government sector and by the local authorities themselves at more junior levels. In both cases there are challenges. We are experiencing this right across the State in the

public and private sectors when recruiting and trying to ensure a sufficient pipeline of experienced and appropriately qualified staff coming on board. That is reflective of the economy in general. We will work with the Public Appointments Service, as the local government sector does. The CCMA and LGMA have regular meetings with the Public Appointments Service to ensure that recruitment process keeps moving. It is a challenge right across the economy, as we know, and particularly for skilled staff like senior executive engineers. We are seeing it in the Civil Service with planners and IT staff. All we can do is keep working on that and try to work with the Public Appointments Service to ensure we get staff on board as quickly as possible.

Deputy Cormac Devlin: It needs to be quicker. Where there is an applicant and a process, it is taking far too long.

Ms Lorraine O'Donoghue: Regarding the local property tax statistics, we can request up-to-date data from the Revenue Commissioners. They are still working through the revaluation. Due to taxpayer confidentiality, we do not get much individual information from Revenue. I will request updated high-level statistics for the Deputy.

Deputy Cormac Devlin: I thank Ms O'Donoghue.

Mr. Graham Doyle: Regarding procurement, I should have mentioned that there was a local government procurement programme board within the LGMA. We would engage with it on those issues.

Deputy Cormac Devlin: I thank Mr. Doyle.

Chairman: We will break and return in ten minutes sharp.

Sitting suspended at 11.01 a.m. and resumed at 11.11 a.m.

Chairman: The next speaker is Deputy Dillon.

Deputy Alan Dillon: I welcome our guests and thank them for giving of their time. I will begin with questions for the Secretary General. Am I correct that his Department does not provide all central government funds to local authorities but has a responsibility for ensuring an oversight mechanism is in place?

Mr. Graham Doyle: The Minister is responsible for the overall policy and legislative context around the local government sector but regarding funding, the local property tax is a matter for the Minister for Finance and we administer the Local Government Fund. My colleague, Ms O'Donoghue, does all the work on that. Regarding our own funding into the local government sector, which as the Comptroller and Auditor General pointed out, is a reasonable proportion of it, along with transport, a range of Departments provide funding to the local government sector and that sector operates on their behalf and in accordance with their procedures around that funding. Each Accounting Officer will separately deal with his or her Department's element of funding disbursed through the local authority system.

Deputy Alan Dillon: Has any other Department, be it the Department of Agriculture, Food and the Marine, the Department of Transport or the Department of Rural and Community Development, consulted Mr. Doyle on any issues around oversight within the local authority?

Mr. Graham Doyle: No. I have been in this role a little under two years and during that time another Department or Secretary General certainly has not raised that directly with me. I do not know if it has happened at another level within the Department. If the Deputy's question

is whether another Secretary General raised concerns or issues with me, the answer to that is “No”.

Deputy Alan Dillon: I will give the example of my local authority, Mayo County Council, regarding issues around control and oversight of funding related to the Department of Rural and Community Development where more than €1.2 million was handed back to the Department. Was Mr. Doyle aware of that issue? Has the Secretary General of that Department contacted Mr. Doyle regarding oversight mechanisms in place for such a governance issue and internal audit procedures?

Mr. Graham Doyle: No. That issue has not been raised with me by the Secretary General of that Department. The Deputy said the council handed back money; out of curiosity, is it case that it just did not spend the allocation?

Deputy Alan Dillon: As part of its internal audit system, there were issues around the spending code and delivering projects. I find it strange Mr. Doyle, as the Secretary General for the Department with responsibility for local government, was not aware of an issue of this significance. It was part of an RTÉ “Prime Time Investigates” programme. It has been a big issue for the local authority . There has been a cessation of funding for certain schemes.

Mr. Graham Doyle: I misunderstood the Deputy’s question. I thought at the start he was talking about money it had not spent. He is talking about one of the allegations in a “Prime Time Investigates” programme.

Deputy Alan Dillon: This was covered in a “Prime Time Investigates” programme.

Mr. Graham Doyle: Right. Okay.

Deputy Alan Dillon: I find it difficult that Mr. Doyle, who is the Accounting Officer and Secretary General for the Department of Housing, Local Government and Heritage-----

Mr. Graham Doyle: The Deputy can also go through the Vote----

Deputy Alan Dillon: Yes, but Mr. Doyle has responsibility for the oversight mechanism around the Central Fund. There is no consultation with other Secretaries General who deliver funding to local authorities. I find that difficult to understand. There is a breakdown in that respect. Mr. Doyle’s Department has an internal audit committee. Am I correct on that or has Mr. Doyle internal auditors-----

Mr. Graham Doyle: For our Department?

Deputy Alan Dillon: Yes.

Mr. Graham Doyle: Yes, of course.

Deputy Alan Dillon: Do they engage with other Departments in adopting a holistic approach with respect to local authorities to ensure whatever programmes, be they transport, agriculture or tourism, are being delivered, there is a collaboration and co-operation on internal audit controls? The National Oversight and Audit Commission, NOAC, comes under Mr. Doyle’s Department. He discusses items with the director of audit. Has the director of audit every flagged this issue with him?

Mr. Graham Doyle: The director of audit has not flagged the particular issue with me but

I know it was an issue the Local Government Audit Service dealt with. The Deputy asked me about internal audit. To be clear, in my Department I have an internal audit function for my Department. The Local Government Audit Service is separate from that. It is attached to our Department but independent in the role it carries out.

Deputy Alan Dillon: How much interaction does Mr. Doyle's internal audit team have with NOAC?

Mr. Graham Doyle: The internal audit team within my Department would not have a huge amount of interaction with NOAC because it is separate. NOAC deals with local government. However, the Local Government Audit Service would have interaction with our internal audit team on a variety of issues but the Local Government Audit Service, which audits all the local authorities, would compare the practice across the system.

On the Deputy's specific issue on funding from the Department of Rural and Community Development, an issue with a local authority on spending of moneys provided by that Department is an issue for that Department and that Accounting Officer.

Deputy Alan Dillon: In terms of the management letters Mr. Doyle would review as part of his responsibility within the Department, does he review all management letters issued to local authorities concerning issues around governance, accountability and internal audit control across all local authorities?

Mr. Graham Doyle: Yes. If there is a letter relevant to our funding streams, we would look at those issues as they pertain to us.

Deputy Alan Dillon: Each Department really works in a silo. Where a Department runs a programme within a local authority, it is the Secretary General who is responsible for that.

Mr. Graham Doyle: Yes.

Deputy Alan Dillon: Mr. Doyle would have no visibility on any issues within that local authority as a matter of point?

Mr. Graham Doyle: It is a matter for that Accounting Officer to deal with the moneys disbursed to local government by that Department.

Deputy Alan Dillon: Does Mr. Doyle not consider there is an issue around oversight if that is the case?

Mr. Graham Doyle: I have no doubt if there was a particular systemic issue being raised, it would be raised because other Departments would have an interest in that. Beyond that, it is a matter for that Accounting Officer and that Department to deal with the money they have disbursed.

Deputy Alan Dillon: What types of reports by the Local Government Audit Service are published and delivered to Mr. Doyle, as Secretary General? He may have answered that question already.

Mr. Graham Doyle: It publishes all its reports both on the local authority website and on our own website. Essentially, there are three elements to the report it does on a local authority. The first element is the audit report itself. The second comprises issues that should be raised for the attention of members of the local authority. The third is the management letter, which

highlights areas for improvement or areas on which it would like to see better controls or whatever the case may be. It also carries out value-for-money audit reports.

Deputy Alan Dillon: In the case that another Department finds an issue around control and accountability with regard to use of taxpayers' money within a local authority and it is not picked up by the local government audit team, is the team communicated to with regard to the findings on the issues that have been raised around appropriation of spending codes and use of public money? It is concerning that it is not picked up by the local government audit team but by another Department that does different types of audits but also carries out spot checks on the use of money. This was picked up in a random check. It was not done on an annual basis by the local government audit team.

Mr. Graham Doyle: It is picked up by the Department, not by the local government auditor, but the local government auditor becomes aware of it at some point.

Deputy Alan Dillon: Yes.

Mr. Graham Doyle: At which point the auditor would report it as part of his or her audit.

Deputy Alan Dillon: Yes, but the issue is that it was not reported. The issue here is the lack of linkage between the Department of Housing, Local Government and Heritage-----

Mr. Graham Doyle: -----and another Department on an issue such as that. Deputy Dillon describes an unusual circumstance where a check in a Department picks up something that is not picked up in the context of an audit. However, the auditor would become aware of that and, ultimately, report it.

Chairman: We are over time.

Deputy Alan Dillon: It highlights the weakness that is in the current system in local government. Basically, local government is being presented with what it needs to know, rather than the specifics of a certain programme that is delivered by other Departments. That is the challenge that faces the Department's local government audit team in terms of findings. I ask the Comptroller and Auditor General to come in on that.

Mr. Seamus McCarthy: To make an observation in this regard, obviously, it is a matter that still is ongoing but an important principle is that it is not left to the local government audit service to find these kinds of cases. If the county council became aware of a breach of controls, I would expect it to go to the local government auditor, tell the auditor there has been a problem which it is looking into and about which the auditor needed to be aware. The auditor should not be expected to find everything. This is why it goes back to the declarations being made by the county manager or whoever with regard to the code of practice. It is important that there is openness and a willingness to confront lapses in control that occur and to get to them quickly and to solve them. In fact, in a situation such as that, local management has to make sure that this does not happen again. It is not for the auditor to chase it, make recommendations and wait years for it to be solved. That is a general principle that should be emphasised.

Chairman: The Deputy has raised an important point because traditionally, over the decades funding came only from what used to be called the Department of the Environment and Local Government. I am not arguing against what happens now but funding comes from a number of Departments. One of our recommendations, when we come to putting a report together, might be that the Secretary General be notified of issues such as that and there be crossover. Would

that be helpful to the Deputy?

Mr. Graham Doyle: I agree with the Comptroller and Auditor General. The practice in my Department is that if we become aware of an issue, we raise it with the Comptroller and Auditor General's audit team.

Chairman: There should be that transfer of information. The Association of Irish Local Government, AILG, is not here today. I want to acknowledge the work that it does. The AILG came out with the old Association of Municipal Authorities of Ireland and the General Council of County Councils. In the past decade, since I left my local authority, it has professionalised the training for councillors. I acknowledge that because it is one of the good things that has happened.

One area has become obvious to me from listening to the exchanges here this morning. Mr. Doyle mentioned the board of directors. I heard that when I was first elected to a local authority. I have been on a board of directors and have chaired a board of directors. It is very different. My relationship with the manager, as chairperson of a board of directors, is very different to that with a cathaoirleach of a local authority or that of the members of a local authority, in terms of the power balance.

One of the areas in which training is needed, through working with the Department, is when councillors are elected. I think the Institute of Public Administration, IPA, also has an involvement in this regard. The budget comes in October and councillors are elected, some of whom are coming in for the first time. I also bear in mind that there has been a gap over the past two years because of Covid when training could not have happened. It is important that training happens immediately on the budget process. Is there anything the Department can do to help the AILG with that?

We need to give councillors the confidence because of the power balance. I am not having a go at anybody. During my time in a local authority, I was very lucky. We had an excellent chief executive, Mr. Peter Carey, at the time. However, councillors are reluctant to question a county manager or a director of service because, sometimes, it can make life hard for a councillor on some of the councils. That is just a matter of a fact.

Councillors do not always realise that they have the power. I constantly say to councillors that they are the corporate structure. The legal entity of the local authority is the people in the chamber. It is not the officials, who are employees. That is always forgotten. Training needs to be done the minute councillors are elected. It needs to be inducted into councillors that they have that power within the first month. As for a lot of stuff raised this morning, I saw myself that when an audit report came before a meeting of the council, two members of the council would have been on the audit committee and it was noted and approved and went through. A councillor should have the confidence to pause and say there is a problem. That has come up here many times this morning.

In terms of the accountability mechanism, they are separate entities and rightly so. I am an ardent defender of local democracy. They are separate units of government. I argue they should have more powers but the chamber needs to have the power, confidence and the ability to hold local authority officials to account. That is very important. I highlight those issues for all the senior officials here. The officials present have considerable interaction with the county managers but do not have such interaction with the councillors and I understand why. Structurally, why would they?

What is the role of the councillor? What powers do they have? These questions are very important. They have some more powers in the most recent local government legislation, about which I think many councillors are not even aware. Training on powers and the budget should happen within the first five or six weeks. I have gone off subject.

Mr. Graham Doyle: The hard powers are very clear. They are set out in legislation and in the constitutional arrangements. The Chairman's point on the softer elements, in terms of how a councillor feels or engages with those, is where that training becomes tremendously important. I know the AILG does strong work on that. My colleague, Ms Fiona Quinn, has considerable interest in training, if the Chairman would like to bring her in.

Chairman: The first councillors see of the budget is when it is landed in front of them a few days before a meeting and it is galloped through. Each group on the council should be able to meet the manager and the director of finance and tell them their priorities and for them to analyse what way the streams are or set out the priorities for the council.

Mr. Graham Doyle: We issue guidance at budget time around that. We make that effort but there are also prescribed timelines for some of those documents to be put before councillors. We issue a circular at budget time every year encouraging and setting out the ways that participation needs to happen.

Chairman: They need to be aware that in the corporate structure the people elected are the legal council. It is not the county manager. That is all I am saying. People need to be aware of that balance. The councillors have limited enough powers but they need to be aware of them.

I now move to housing. Mr. Kelly deals with it. Will he outline the target for local authority builds this year? That is not approved housing bodies. Where are we six months into the year?

Mr. Graham Doyle: The target for social housing delivery is 9,000 new builds.

Chairman: That is by local authorities.

Mr. David Kelly: Well -----

Chairman: No. I want to talk about local authorities.

Mr. David Kelly: It is a local authority target. The delivery mechanism is split between local authorities and-----

Chairman: The delivery mechanism by local authorities-----

Mr. David Kelly: The funding envelopes that are put in place under the national development plan will see about 60% of housing targets delivered by the local authorities and about 40% delivered by approved housing bodies. That is local authority. It is part of the local authority target.

Chairman: Is that 5,000 built by local authorities this year?

Mr. David Kelly: The target would be roughly 5,000 and that would include units delivered through Part V.

Chairman: And turnkeys.

Mr. David Kelly: And turnkeys, yes.

Chairman: How many builds? Is it 2,000 or 3,000? I am trying to get a figure from Mr. Kelly.

Mr. David Kelly: The target is a build target.

Chairman: What is the target?

Mr. David Kelly: I am just trying to set out that the target is the build target and there are different components of that build target.

Chairman: I know.

Mr. David Kelly: There will be direct build, projects that are turnkeys-----

Chairman: No. We do not want that.

Mr. David Kelly: Local authorities are only given a build target. They were given a target to deliver 9,000 through build. That target is to be delivered through-----

Chairman: Does Mr. Kelly, as principal officer dealing with this, know how many of that 9,000 will be local authority builds? Does he have some idea now that we are six months into the year, how many builds will have been completed by local authorities? The local authorities send plans back and forward to the Department to get approval and go through the Part 8 process locally.

Mr. David Kelly: It is about 5,000.

Chairman: That also includes approved housing body builds, does it not?

Mr. David Kelly: No. The target is 9,000 new build social homes. About 60% of that is local authority.

Chairman: So 5,000 for local authorities.

Mr. David Kelly: It is about 5,000.

Chairman: So if we strip out the Part V builds and the turnkeys what are we talking about? Is it roughly 50% of that, that is, 2,500?

Mr. David Kelly: Part V builds would not be quite that high. There would probably be 1,000 for the year. Some of those would be taken by approved housing bodies. They are split between Part Vs and-----

Chairman: The turnkeys are another 1,000.

Mr. David Kelly: As I told Deputy Carroll MacNeill earlier, the construction status report-----

Chairman: Mr. Kelly might come back to me on it. We will take it as 3,000. Where are we at now, roughly?

Mr. David Kelly: The data on builds is being compiled at the moment. There is a fairly detailed verification process. At the end of each quarter, the statistics unit in the Department sends out a series of schedules to be completed by each local authority. That takes some weeks to come back for verification. The statistics for each quarter are typically published at the end

of the following quarter. We will have the first quarter statistics-----

Chairman: Will the Department come back to us with the hard figures on that for where we are at the end of June, insofar as it has the information? There is a big budget, and rightly so. The more the merrier. The Committee of Public Accounts wants to see what returns we are getting. I am not clear and would like to have a clearer picture of it.

I have complained to Ministers about the all the different stages that must be gone through and all the rigmarole that local authorities have to go through to get approval and all the delays. In the popular mind, and sometimes in the media, it is put forward as being because of planning permission but Mr. Kelly and I both know, as will most people here who have been on a local authority, that Part 8 planning permission passed by councillors will go through in two months. It may be that it is held up for four weeks. Sometimes a Part 8 will come in and councillors will say, "Hang on, there is a problem with the design" because of road safety or something. There might be a need to come back with different boundary types or something or another issue in the area might need to be sorted. Officials will take those observations on board, work with the local councillors and come back and get it through. It might take 12 weeks. I have always seen them go through very quickly and that is still the case, that is my observation, so it is not being held up at that level. There is also a single-stage process now. I do not want to go back over it but some local authorities were looking to use that.

In 2002 or 2003 the Department made a decision that all houses would be architecturally designed. I could take the officials to the last houses designed by Laois County Council. They are easy to maintain, very practical and look very good and I could take them to the first ones that are designed by an architect. I can outline the problems created in private - I will not take up the meeting with it - not least the sewage pipe running down beside a chimney stack. There is methane gas in the sewage pipe. What happens when someone lights a sitting room fire. Gas rises and you have gas upstairs in the house and it has to be evacuated. There are situations in a number of local authorities where designs go back and forward between the council and the Department. In one case there a question over the canopy over the front door. We cannot mass produce houses like this. It is too cumbersome. I am saying this in a helpful way. I drive here via the Naas Road in the morning. I am not saying that we should recreate 1938 or anything but look at the design that was used. Thousands of houses were built using it. It was a great design at the time. You would not use it now but in the last local authority scheme that opened the footprint was very like them. The front and back gardens were similar. The footprint is the same and the things that have changed are the energy ratings and so on but they have a small sitting room, kitchen, bathroom, two down and three up in a larger house. Sometimes we need bungalows because people have different needs. They might have to be on a flat level because of disabilities. We need different types of houses, one-, two-, three- and four-beds. We know all that. Why in the name of God with every housing development do we have to start with a blank canvass? I am not only thinking of people on the housing waiting list. I know that people who want to buy an affordable house or a private house have said to me that they do not care what the design looks like if the house is functional and comfortable. That is what they want. I am not advocating that we do what Russia did in the 1920s, 1930s or 1940s by putting up tower blocks or that we do another Ballymun. I am not arguing for anything like that but I am asking why we cannot have half a dozen types of houses. We do not need an architect to design every bloody house or new estate that has to be done. What we need to deal with is infrastructure and the layout of the estate. If documents have to keep going back and forward between the local authorities and the Department we cannot produce the housing. I welcome that the Minister granted the money for more staff. That is helpful and it will speed up things but we have to

take our foot off the necks of those who are charged with delivery at local level. If it is two-bedroom terraced houses that are wanted we can say “there is the design”, and similarly if it is a three-bedroom bungalow or one-bedroom maisonette or little bungalow for pensioners, or a four-bed. Why can we not do that?

Mr. Graham Doyle: I agree wholeheartedly. We are doing that now. Mr. Kelly’s colleague with whom he works closely, Mr. Paul Altman, in our Department has done a really strong piece of work around this. Mr. Lynch might-----

Chairman: Would that rule out the need for an architect to design every new house?

Mr. Graham Doyle: There will be situations-----

Chairman: We can get an architect to design the first lot and then pay them off-----

Mr. Graham Doyle: We have a whole design manual that-----

Chairman: I know about the manual. I have been through that.

Mr. Graham Doyle: Okay, but what it does is stops those arguments back and forth. I know that Mr. Lynch has worked with Mr. Altman a little around this.

Chairman: No but this is important because Mr. Doyle mentioned it to me before. That has to do with standards. What I am saying is-----

Mr. Graham Doyle: No, it is actually layout as well.

Chairman: We are in the middle of a housing crisis. I am not advocating that we throw up slums. I am advocating that we put up good-quality, compact, energy-rated houses, or apartments if they are appropriate. We need between six and eight simple designs. I saw houses like the one I lived in as a child in Donegal and other parts of the country. There are houses like the ones in Crumlin and Drimnagh I drive past in Sligo and Portlaoise. I have seen them. They look the same. They have the same design. There are some in Wexford and Tullamore. They are all over the place. My point is that we cannot have a rigmarole where designs have to be approved. I think 7% of the cost of a house is architectural design. If it is 2%, it is crazy. Why are we spending on individualising it? We must change our thinking on this.

Mr. David Kelly: I accept some of what the Chairman is saying. As Mr. Doyle mentioned, a design manual was introduced and there are standard layouts and designs. Some things are going in the direction the Chairman would like. We are promoting increased use of design-----

Chairman: I do not want the Department to just go in that direction. I want it to make a big leap.

Mr. David Kelly: Sure. We mentioned earlier some of the things we are doing to build capacity such as enhancing the resources of local authorities. A housing delivery co-ordination officer is in place in the LGMA, which supports local authorities. One of the things we are doing through that process is promote use of design and build, which allows the developer to bring forward designs, and the use of modern methods of construction such as modular build where a lot of the work can be done off site. One of the things is that the design must facilitate those modern methods of construction. We are moving in that direction promoting-----

Chairman: The Department is still caught on the design issue. I welcome the fact that there

is standardisation. That makes sense. I get that. The Department is talking about design and build to councillors, developers and builders. I say we hand it to them and say, "There's the drawing. We want 50 of those." Until we get to that point, we are wasting money on architectural fees and time and are tying up people in the Department and local authorities. We dealt with this at times when this country had damn all resources, including the 1950s. They built houses that were good quality for the time. People were over the moon about these houses, which now make a lot of money on the open market, although this was not what they were built for. My point is that these were good functional houses. Standardisation is not enough. We have not gone far enough. There is a bigger leap to be made. I am asking the Department to go away and consider this.

Mr. David Kelly: A lot is happening in this area. Under the national planning framework, we are seeing more in-fill and brownfield development so a lot of design is going to be site-specific. We will see more duplexes and apartments. We are probably not quite in the same position as we were with some of the housing developments. On the other side of it, local authorities are using standard designs and layouts so a lot of that is pre-set. It is a case of "here's what we need". We are seeing a reduction in house types facilitating design support. A recent development in Limerick involved a small number of similar designs and very fast construction using modular techniques. We are looking to do more of that with-----

Chairman: If that is successful in Limerick, could we transfer it to Kildare, Galway, Laois or wherever else?

Mr. David Kelly: Absolutely.

Chairman: There is no law saying that we must have an architectural design for every house and that departmental officials must look at windows to see if they look alright aesthetically. It should be a case of "We have them, that's it". We should save money and time and get them built. I have said this to Ministers over the past decade or so. I find it very frustrating. Unless officials take this on board, it will not happen. We should make the case to Ministers that if we want to mass produce and deliver those 9,000 homes, this is the only way it can be done. It would reduce the amount of money that is being spent.

Mr. Graham Doyle: Mr. Kelly mentioned modern methods of construction and off-set modular. I am not sure if the Chairman has seen some of these factories. What they do is quite amazing. The reason this has not scaled up in Ireland over time is because there has not been the critical mass - the volume - but there is now. We are committing really substantial amounts of State money to a social housing programme and housing generally. We are engaging with that industry a lot and are seeing some of the benefits of what the Chairman is talking about - more standardisation and more standard layouts - and the potential for that side of the industry to deliver much more capacity into the market.

Chairman: We need to move to standard design as well.

Deputy Colm Burke: I will return to the role of local authorities in planning. One of the problems I am coming across, and the Department must have an input in this, is local authorities not implementing the conditions in planning. You come across estates built over 15 or 20 years ago that have still not been taken in charge. I am talking about estates in cities and county areas. What is the Department doing about this? We have collected planning charges from developers and we have bonds in place that are not being drawn down. In Cork county alone, there are 50 sewage treatment plants that have not been taken in charge by Irish Water, the local authority is

not prepared to take affected estates in charge until such time as the sewage treatment plants are taken over by Irish Water and there is a standstill. What is the Department doing to ensure local authorities have a policy regarding full compliance with planning and following up regarding taking estates in charge in a timely manner and not 15 or 20 years later?

Mr. Graham Doyle: I do not have people from water and planning with me today because I concentrated on the local government team but I know from talking to colleagues on the water side that they are working with regard to the taking in charge of water, which then, as the Deputy noted, leads to the issue of-----

Deputy Colm Burke: Over 500 plants in the country have not been taken over by Irish Water. We put in €3.5 billion last year to upgrade those facilities. We have 50 plants in Cork county that are not up to scratch and we are going nowhere with them. I need to know what we intend doing over the next 12 months. What are we doing to make sure local authorities follow through on planning compliance?

Mr. Graham Doyle: Would the Deputy mind if I responded to him in writing on those issues? I know there is a programme of work relating to Irish Water and taking water plants in charge. The taking in charge of estates is not an issue with which I am particularly familiar and I am not sure that my colleagues here are particularly familiar with it either but I will certainly-----

Deputy Colm Burke: Making sure local authorities do so is within the remit of the Department of Housing, Local Government and Heritage. I know of one estate in Cork city alongside which the Revenue Commissioners have their main office for the southern region. This estate was built 15 years ago but has still not been taken in charge by the local authority.

Mr. Graham Doyle: I think my own estate has not been taken in charge. I will get the Deputy information on that and respond to him in writing.

Deputy Colm Burke: It would be helpful for the committee if we could find out the number of estates around the country that have not been taken in charge and what decisive action needs to be taken to make sure there is full compliance with planning and that local authorities are following it up because this is taxpayers' money. It is costing the taxpayer more money to bring these estates up to standard because planning was not complied with by developers or builders when they were being developed.

Mr. Graham Doyle: I am sure there is a resolution process in that regard. I have no doubt that there is quite a bit of to and fro between individual developers and local authorities regarding those issues. I will get the Deputy a response on that.

Deputy Colm Burke: May I ask Mr. Doyle about the collection of planning charges by local authorities? I have seen some estates where, for instance, up to €1 million is being paid in planning charges but the local authority does not then respond by providing services to that area. That money is not ring-fenced to the area in question, so one could come back five, ten or 15 years later and none of the services will have been improved, even though a huge amount in planning charges was collected.

Mr. Graham Doyle: I can come back to the Deputy with a response on development levies and those issues.

Deputy Colm Burke: Does Mr. Doyle not accept that we need a more robust system in

order to ensure that local authorities deliver services as housing estates are developed? We do not seem to have a robust system.

Mr. Graham Doyle: We are very keen to see more and more of the right development in the right areas, serviced in the right way. The services provided by local authorities in that context are an important part of that. Follow-up on those issues by local authorities is obviously a key issue. I will respond to the Deputy in writing on the matter.

Deputy Neasa Hourigan: I am bit late in today. I am trying to cover a number of committee meetings this morning.

I want to turn to the issue of funding of homelessness services. It is an area I know we have touched on in the past, and I know that quite an amount of work has been done between the Department and the housing committee on the issue of the provision of services, in particular consideration of NGOs versus private emergency accommodation, PEA. I went back and read the original report from last year, and I believe that the Department had a session in February on the issue with the housing committee. Obviously, the Committee of Public Accounts is particularly interested in the funding, the tender process and those kinds of issues. In general, however, there was a recommendation from last year that it would be advisable to phase out PEA in favour of NGOs. That was a goal outlined by the committee. Where are we with that goal? Is there an update on it?

Mr. Graham Doyle: Sure. I know that the Deputy asked a number of questions about that when I was last here a couple of months ago. We have engaged. That engagement took place at the relevant joint committee. Mr. Kelly has done a lot of work on the development of that system in the past, so I will ask him to respond.

Mr. David Kelly: I have a colleague who is responsible for matters relating to homelessness, but I know there has been work done on PEA. The Dublin Region Homeless Executive, DRHE, would always prefer to set up services led by NGOs. The issue arises when the numbers rise and the NGO services or the properties are not available. In that case, PEA is frequently used. The DRHE has been looking to apply the same sets of standards in PEA. The national quality standards framework that was in place for local authorities and NGOs for quite a while has been implemented in PEA. This is really about ensuring that an equivalent level of service is provided in an NGO-led service. Work in that regard has been under way. The DRHE had appointed a development officer to ensure that those same applicable standards were being introduced into PEA in order that people experiencing homelessness were getting the same level of service and treatment, whether from an NGO-led service or from private emergency accommodation.

Deputy Neasa Hourigan: I am aware that the homelessness numbers are rising, unfortunately, but, as a percentage of the whole, is the provision through PEA increasing or decreasing?

Mr. Graham Doyle: At the moment, it is possibly increasing on the basis-----

Deputy Neasa Hourigan: As a percentage of the whole?

Mr. Graham Doyle: Depending on the timeframe-----

Deputy Neasa Hourigan: I am not asking about places; I am asking about a percentage of the whole. We know that the numbers are rising, so the numbers could be increasing as a flat rate, but if the housing committee has identified the goal of reducing provision of accommoda-

tion through PEA, is that goal being met? Are we bringing more NGOs into the sector?

Mr. Graham Doyle: I have not seen recent data on that but I do know that the priority is to try to provide the accommodation for people with the objective of trying to-----

Deputy Neasa Hourigan: I completely accept that. Would it be possible to get tabulated data on that?

Mr. Graham Doyle: Yes. I will get the Deputy-----

Deputy Neasa Hourigan: That would be really helpful. On getting NGOs into this sector, there was a discussion about the tender process and revisiting it and making it easier for NGOs to tender. Obviously, the reason we have more PEA is that the facilities are cheaper to run. They do not necessarily have the kind of trauma-aligned care we would like to see for homelessness accommodation. We discussed in 2020 the issue of Garda vetting, which I would like to revisit, but is there any information about developing the tender process for NGOs in providing emergency care?

Mr. Graham Doyle: I do not have the detail about the tender process but I do know that there are strong efforts now to bring some of the additional services the Deputy mentions from NGOs where it is PEA provision in order that those services are also available in that environment. I do know that there has been a drive to try to do that but, again, I can get the Deputy some data on that.

Deputy Neasa Hourigan: I would appreciate data on that. From the transcript of the meeting we had in February, I note that the DHRE had four people working on a team to look at modified standards for those PEA facilities. I would appreciate more information as to whether we are still dealing with four people. We have all been talking about the homelessness crisis and the provision of private emergency accommodation since 2017 or 2018, when there was a real move to do this. It seems worrying that now, in 2022, we are talking about applying the same standard to PEA as we are already applying to NGOs. That seems like a policy lacuna.

Mr. Graham Doyle: It is really important that the people availing of these services get an equivalent service. I know that is the effort that has been made. This was discussed by our head of homelessness services at the joint committee in detail on that occasion, but I will get the Deputy a further date on it.

Deputy Neasa Hourigan: Have new service level agreements been signed with private providers since 2020?

Mr. Graham Doyle: Yes. I think the DRHE has done so.

Deputy Neasa Hourigan: As part of the service level agreement, was there a requirement that every staff member be Garda vetted?

Mr. Graham Doyle: I do not deal with that, and my head of homelessness services is not here, but I will get the Deputy a response on it. Mr. Kelly happens to know about this from his history.

Mr. David Kelly: I do not have enough data on Garda vetting. I apologise.

Deputy Neasa Hourigan: If Mr. Kelly wants to refresh his memory, I asked this question of the Department of Housing, Local Government in 2020 at a meeting of this committee, I

believe. It would seem to me that trauma-supported or trauma-led care of people in homelessness is quite a complex issue. A bare minimum would be to include Garda vetting as part of a service level agreement when entering into a contract with a private provider. We are now two years into that discussion.

Mr. Doyle has said he does not have his homelessness person here, so perhaps he will not know the answer to this, but in the documentation from the discussion with the Department of Housing, Local Government and Heritage there were 133 complaints about private providers in 2020. Is it known whether that number of complaints has gone up or down?

Mr. Graham Doyle: Again, I can get the Deputy data on that.

Deputy Neasa Hourigan: I will move away from homelessness. There has been a project in Dublin City Council since 2019, when the new crop of councillors came in, to look at the remunicipalisation of waste. It is driven particularly by the difficulty with inner-city provision of waste services. It is difficult to get brown bins in inner-city areas. Many people live in terraced houses. We see a good model in Europe whereby there are group schemes for brown bins and for recycling and people's bags are not torn open where they do not have the space for large bins. Does the Department take any particular position on an authority that might come to it with a proposal for the remunicipalisation of waste?

Mr. Graham Doyle: That would be dealt with by a sister Department rather than ours in the context of the interaction with the council or local government system around it. I can inquire and find out-----

Deputy Neasa Hourigan: Sorry. When Mr. Doyle says that, what he means is that if such an authority were to do that, funding would come from a source that is not the Department of Housing, Local Government and Heritage.

Mr. Graham Doyle: Correct.

Deputy Neasa Hourigan: As the Department has overall oversight of local authorities, however, is it an issue or a policy initiative that the Department would take any issue with or that it would have any concerns about?

Mr. Graham Doyle: I do not think it is an issue for us to have concerns about. My colleague in the Department of the Environment, Climate and Communications may or may not have but, off the top of my head, it is not something that I can see a concern with. It is a matter for that sister Department, however, as regards that engagement with the local authorities.

Deputy Neasa Hourigan: I thought that Mr. Doyle might say that and the reason I am asking this is because the de-municipalisation of waste was mostly a cost issue for the majority of local authorities, in that this they simply could not make it work. Mr. Doyle's Department has oversight over a great deal of that funding, which is why I ask this question.

Mr. Graham Doyle: There are two things a local authority can do in a project like that. It can use its own-sourced funding and if that is not sufficient or if that is not what it wants to do, it can seek funding from the relevant Department. In this case, that would be the Department of the Environment, Climate and Communications.

Deputy Neasa Hourigan: Finally, in the minute of speaking time remaining to me, I suspect, even though I missed some of the earlier part of the session, that people have asked Mr.

Doyle about the local property tax and the breakdown of how that is applied to different local authorities and to that Central Fund. I have a general question around not so much that aspect of it but around the calculation of funding towards local authorities, more broadly. Does the Department feel that it serves every county and local authority well? I am particularly interested in how it serves counties that are just outside Dublin which have experienced very significant levels of population growth and pressure on services. Could we be doing more in calibrating that funding model to recognise the rate of change there?

Mr. Graham Doyle: This aspect was not discussed earlier but my colleague, Ms O'Donoghue, does a great deal of work in this area and will speak to this.

Ms Lorraine O'Donoghue: I take the Deputy's point that there has been a great deal of development and change, particularly in those counties, presumably, in Leinster where there has been housing development, etc. The local property tax revaluation has not been quite finalised but the idea is that it will bring the property tax charges from those additional properties into the tax net and, in the programme for Government, the commitment is that 100% of local property tax will be retained in the area in which it is collected. The alignment of those two matters later in the year should lead to additional resources, to a recalculation and to a change to the allocation model for the local property tax.

Deputy Neasa Hourigan: Following on from that, I am very aware that the local property tax, having sat through the negotiations where we churned all of this out, is one aspect of this but there are other metrics and there is another calculation which is applied to local authorities which does not relate solely to the property tax, in terms of accessing funds. Outside of the property tax, does that calculation serve those types of counties well?

Ms Lorraine O'Donoghue: On general funding, within each Department and within our own one, there are a number of programme funds, be it the homelessness fund or be it other housing delivery funding allocations. Those are calculated depending on the particular local authority. They are often on a drawdown basis and depending on delivery. Outside of the local property tax, which I will not repeat in the interests of time, local authorities then fall back on their own income sources. That is a matter for themselves and would count as local government discretionary income and it would be entirely up to the elected members as part of the budgetary process to decide the local spend.

Deputy Neasa Hourigan: I thank Ms O'Donoghue; I am out of time.

Chairman: I call Deputy Verona Murphy who has four minutes speaking time.

Deputy Verona Murphy: I wish to return to Mr. Doyle, bearing in mind that we are in a public forum and this is the Committee of Public Accounts and that people are looking in. Would the Secretary General consider appropriate the appointment of a chief executive to the board of the Housing Finance Agency, in light of the damning Standards in Public Office Commission report, SIPOC?

Mr. Graham Doyle: There are a number of elements to that statement, Deputy Murphy. The Minister made an appointment of the individual and I am very concerned about talking about individuals, Chairman.

Deputy Verona Murphy: We have not mentioned any name. This is all of this is in the public domain and we have the SIPOC report.

I will ask Mr. Doyle another question. Does Mr Doyle have regard for the standards in public office, the detail being in the name, which he and I abide by as public servants?

Mr. Graham Doyle: Do I have regard for SIPOC?

Deputy Verona Murphy: Yes.

Mr. Graham Doyle: Of course I do.

Deputy Verona Murphy: Does he have regard for the findings of SIPOC?

Mr. Graham Doyle: Of course I do. Its findings-----

Deputy Verona Murphy: Mr. Doyle will, therefore, appreciate that in the context of where only 3% of complaints made are investigated, which is how seriously SIPOC takes its role, that it would be a very serious allegation before SIPOC would consider it. In that, the finding was an adverse one against a person as a public official. Can I ask Mr. Doyle to look at this in this context, bearing in mind that the public is watching, and that we have a situation in the Department of Health where an official released information to this committee and into the public domain which was in the public interest, which safeguarded our interests in public spending and in different movements within the Department of Health, but the official did this in the public interest. This person was suspended for acting in the public interest. This person is not at local level but is at Department level. There was no complaint to SIPOC that I am aware of but I may stand corrected on that point. This person has been suspended from his job.

On the other hand, we have a very prominent position of a chief executive over accounting, who has been investigated while in his position, resulting in a very damning finding and has faced no repercussion. The Minister of the Department has appointed him to a board that oversees a budget of €5 billion. What does Mr. Doyle think that says to the public? What kind of message are we trying to give out here? Do your worst and we will give you our best position, do your best and we will sack you? Does that resonate with Mr. Doyle?

Mr. Graham Doyle: The Deputy is asking me about matters of opinion.

Deputy Verona Murphy: I am asking Mr. Doyle about his view as the Secretary General in advising the Minister. Every Secretary General who has appeared before the Committee of Public Accounts is, in some shape or form, responsible. I am not asking if the Minister has accepted his view but I am asking is if he has a view as the person in the position which he holds? Mr. Doyle said he had regard, a high regard I would imagine, for standards in public office and yet we see this being totally disregarded by the Minister. I believe that this affects Mr. Doyle's integrity, to be honest. If Mr. Doyle comes in here, I cannot take him seriously. I cannot take him seriously if he is not prepared to give me an answer to the question. Mr. Doyle is the Secretary General.

Mr. Graham Doyle: The Deputy has asked me-----

Deputy Verona Murphy: Ministers come and go but Mr. Doyle has-----

Chairman: The Secretary General should be given the opportunity to answer that question.

Mr. Graham Doyle: The Deputy has asked me a number of questions there, one of which is around SIPOC, the 3% of complaints, and how seriously the commission takes the complaints that it investigates. I have no idea and I am not part of SIPOC. I do not have an involvement

with it but I take SIPOC very seriously.

Deputy Verona Murphy: I did not ask the Secretary General a question there as that part of my question was a statement.

Mr. Graham Doyle: SIPOC will make findings against people and that does not prevent them from holding roles and does not-----

Deputy Verona Murphy: In the interests of public transparency and in how we started our debate, we started it on the Mahon tribunal and on its findings ten years ago. We are now here in a position of transparency, or at least we should be, and are here in the public interest dealing with the public purse. That is what we are here for. I asked the Secretary General if he had regard for SIPOC, and for standards in public office and he said “Yes”. I asked him earlier if he felt that we had a proper vetting process for our public officials, to which he said “Yes”. I then asked him if he believes that all officials should be of the utmost integrity, trustworthy and honest, to which he also said “Yes” but he cannot offer a view on the appointment of someone who was found to be none of those things. All of those things were called into question and yet this person has been appointed and has, in effect, been rewarded with a position on a board which deals with €5 billion, and Mr. Doyle does not have an opinion on that. I have to ask the same question which I asked the previous Secretary General which is whether he believes he has the skill set to hold his position as Secretary General.

Chairman: My apologies to the Deputy but I do not want her to personalise this matter.

Deputy Verona Murphy: I am not personalising this as we must have accountability. Perhaps Mr. Doyle is not able to answer the question.

Chairman: I have no problem with that. In a situation as outlined by the Deputy, does the Secretary General advise the Minister in such cases? I am not talking about a particular case. Would the Secretary General advise the Minister or would the Minister act without the advice of a Secretary General? That, I believe, is the question.

Mr. Graham Doyle: First, I will make one statement of fact that this position does not have a financial reward related to it. The Minister obviously made a decision based on-----

Deputy Verona Murphy: Did I say that?

Mr. Graham Doyle: No, I do not think so. I just want to clarify that.

Chairman: The Deputy might allow the Secretary General to reply.

Mr. Graham Doyle: On occasion, a Minister may ask the view of the Secretary General around an appointment. It does not always happen.

Chairman: It is on occasion; it would not always happen.

Mr. Graham Doyle: It would not always happen and it did not happen in this case.

Chairman: Could Mr. Doyle repeat that again? It did not happen.

Mr. Graham Doyle: This is not something in which I had a personal involvement. Maybe someone in my Department did.

Deputy Verona Murphy: I will rephrase the question. If the Minister had asked Mr.

Doyle's opinion in appointing somebody to public office who had a damning Standards in Public Office Commission, SIPO, report to their name, would he have agreed with the appointment as the Secretary General and as someone who said he holds standards in public office in high esteem?

Mr. Graham Doyle: Without getting into the-----

Deputy Verona Murphy: A "Yes" or "No" will do.

Mr. Graham Doyle: A SIPO finding will have various points. The Deputy called it a damning finding. That is a particular viewpoint.

Deputy Verona Murphy: I will read the wording for Mr. Doyle again.

Chairman: I am sorry, Deputy.

Deputy Verona Murphy: I asked a very straightforward question.

Mr. Graham Doyle: We are talking about an individual.

Chairman: I have to allow the witness-----

Deputy Verona Murphy: It is only a "Yes" or "No" answer. Would Mr. Doyle have advised the Minister?

Chairman: I am trying to be fair to the Deputy but I also have to allow the witness to answer the question.

Deputy Verona Murphy: I am trying to be fair to him. It is a "Yes" or "No" answer.

Chairman: Can Mr. Doyle answer briefly?

Mr. Graham Doyle: A SIPO finding does not prevent somebody from continuing to hold a role or hold a role in the future. It is a finding-----

Deputy Verona Murphy: Which means we have no regard for SIPO.

Mr. Graham Doyle: No, it does not mean that.

Chairman: Allow the Secretary General to continue.

Deputy Verona Murphy: What does it mean?

Mr. Graham Doyle: There is a process to follow in the case of a local authority CEO. Let us be clear; we are talking about an individual here, which I am not happy about.

Chairman: I want Mr. Doyle to talk hypothetically. I do not want him to talk about an individual.

Mr. Graham Doyle: If we are talking about a local authority CEO, it is very hard to divorce it from the individual here if I am honest. I have made my point on that.

Deputy Verona Murphy: I will come back in, Chairman. We will have to help; he is not answering the question.

Mr. Graham Doyle: I will answer the question if the Deputy will let me answer.

Deputy Verona Murphy: Hypothetically-----

Chairman: I have to allow the Secretary General to answer, in fairness.

Deputy Verona Murphy: He is waffling.

Chairman: I have given the Deputy seven or eight minutes. I have to allow the witness to answer. Mr. Doyle should please continue.

Mr. Graham Doyle: I have lost my train of thought now.

Deputy Verona Murphy: Let me put it back for you. Hypothetically-----

Mr. Graham Doyle: The Deputy is asking a lot of questions.

Deputy Verona Murphy: I am only asking one question. I will clarify it. Hypothetically, if a chief executive was being offered a role by a Minister and been investigated by SIPO, the report of which used the words “disproportionate and inappropriate and lacking in courtesy and respect, thereby bringing disrepute upon his position and the Council” and stated that the content, tone, style and language of the emails issued by the said individual was not appropriate and fell below what is expected of someone in his position. Hypothetically, would Mr. Doyle endorse him to a board that had a budget of €5 billion? That is a “Yes” or “No” answer.

Mr. Graham Doyle: I am sorry, Chairman. There is nothing-----

Chairman: Mr. Doyle might briefly answer hypothetically.

Mr. Graham Doyle: There is nothing hypothetical about that question.

Deputy Verona Murphy: For God’s sake; this is ridiculous. It is an absolute waste of time.

Mr. Graham Doyle: I will answer if the Deputy will allow me.

Deputy Verona Murphy: Mr. Doyle holds standards in-----

Chairman: I am sorry, Deputy.

Deputy Verona Murphy: It is the frustration of it. Mr. Doyle holds SIPO in high regard. We are all abiding by SIPO and this individual cannot come out and say hypothetically whether he would endorse someone with that report or not. The public are watching this debate. The Secretary General should have some credibility.

Mr. Graham Doyle: The process in this case is that a complaint is made to SIPO, which makes its finding. The finding in the case of a local authority chief executive goes to that local authority. Taking action around that is a matter for the local authority. The Deputy said the local authority has not sanctioned the particular individual.

Deputy Verona Murphy: We have moved on.

Chairman: I am moving on. That is fine. Deputy James O’Connor has four minutes.

Deputy James O’Connor: I agree with some of the points made by Deputy Verona Murphy. I mentioned in my opening remarks that the lack of accountability when it comes to senior positions within local authorities across the country is shocking. The dynamic of the relationship between county councillors and chief executives of local authorities is not one that allows

there to be open transparency and questioning. They rely on each other, essentially, to go about their daily business. Causing conflict between a chief executive and a councillor on the same local authority is going to make that councillor's job incredibly difficult. The majority of honest Members of the Oireachtas who have been in that position will tell Mr. Doyle that. It is not a nice place to be.

Will Mr. Doyle do an analysis under the 2004 Act around the reforms of local government and the ending of dual mandate in this country to find out from chief executives how many of them have been living up to those obligations by providing Oireachtas Members with the notes we require on what is going on within our local authorities and by having meetings, which I believe are supposed to be on a quarterly basis? Will he come back to me with those figures? That is one job I would ask Mr. Graham to do.

What Deputy Verona Murphy said is not without precedent. It is an issue. My interpretation of it is that once a person gets into the role of chief executive of a county council, he or she is almost politically infallible. That person is unquestionable. As I said, nobody is in a position to properly question those individuals without consequences. That is just something Mr. Doyle needs to take on board. I will put that point to him as well.

My time here is very limited and Mr. Doyle can see the clock as well as I can. I have one final question to ask. We are all watching this with huge interest. The issue was brought up by the Deputy from Dún Laoghaire earlier around ongoing house building and getting those analyses and figures. I will ask Mr. Doyle one question and I would appreciate if he could come back to me. Has the Department carried out analysis on who is purchasing newly-built private houses in the State? I want to see those figures and get an analysis. How much of that is coming from external institutional purchasers coming into the State versus ordinary residential buyers who are living in the Republic of Ireland. That is another question I would like Mr. Doyle to answer. If he wants a chance to respond to my points, he should please do so.

Mr. Graham Doyle: Sure. In relation to the first point, the Oireachtas has set down the powers of local authorities *vis-à-vis* the executive. There are a number of powers if the local authority gets to a point where it must remove a chief executive. There is a sort of list of powers with which my colleague is much more familiar.

Deputy James O'Connor: How many times has that happened at a town council level?

Mr. Graham Doyle: I do not know. I have been in this role for-----

Deputy James O'Connor: I think it happened once in Naas. I stand to be corrected.

Mr. Graham Doyle: Okay, well-----

Deputy James O'Connor: That just shows us how-----

Mr. Graham Doyle: The council sets the policy within which the chief executive must operate. The council sets the budget. There are a range of powers whereby the council can require a chief executive to desist from a particular action or carry out a lawful action, obviously. There are a whole range of powers that are set down by the Oireachtas. That is what is there. If there is a sense then that there is an issue, and we talked about this a little earlier with the Chair, I suppose it is around the training issues. Certainly, the powers are set out in legislation.

Deputy James O'Connor: I asked one question very clearly. Can Mr. Doyle commit to

doing some analysis on the obligations around the Oireachtas meetings with chief executives? Can he analyse all 31 local authorities in this country and come back to me and this committee with a comprehensive report on how many local authorities are living up to that? I want to hear about that. That was one of the issues that was raised around 2004 at the end-of-June mandate.

This is my final point and I promise I will conclude on this. It all comes back to this. Until recently, we were paying county councillors in this country approximately €17,500 per annum to do all of the research and oversight that is required. My point is that the current set-up we have in this country is wholly unfit for purpose. It is just not working. The Department is not getting the level of oversight we need. There are not disciplinary procedures in place when failures happen. That is a huge problem in this country. We have to be honest about it and try to come up with solutions.

Mr. Graham Doyle: In relation to the last point, obviously, we talked earlier about the Moorhead report and the actioning of that.

Deputy James O'Connor: Mr. Doyle might answer the question I asked first, if he does not mind.

Mr. Graham Doyle: On the question the Deputy asked about the analysis, I will see what it is possible to get for him.

Deputy James O'Connor: That is a very easy “Yes” or “No” answer.

Mr. Graham Doyle: I will certainly try.

Deputy James O'Connor: Is that a “Yes”?

Mr. Graham Doyle: Yes, I will try to find some data on it. Mr. Kelly is going to respond to the Deputy’s second question.

Chairman: How often are county managers and management teams supposed to facilitate those meetings? Mr. Doyle said it was four times per year.

Mr. Graham Doyle: My understanding is four times. Mr. O’Leary may have the answer to that.

Chairman: Is it once a year? What is the minimum?

Mr. Graham Doyle: I think it is four times a year, but Mr. O’Leary will get the answer from his material.

Chairman: It is once a year in the county I live in. In fairness, we have fairly good access to the management. If anyone wants to contact them in between it is easy enough to do so. However, I was not aware that it is four times a year.

Mr. Graham Doyle: I am sorry, perhaps I just misunderstood. Mr. O’Leary will find it in a second.

Chairman: Perhaps Mr. Doyle would clarify it before the meeting ends.

Mr. David Kelly: The Central Statistics Office publishes data on residential purchases. Only in the past week or so it published the 2021 data. There were 58,000 sales of properties, and I understand 5% of those were from institutional investors. The figure is here as well for

the-----

Deputy James O'Connor: I am sorry to interrupt, but I want to be specific. Is it in relation to new builds of private properties?

Mr. David Kelly: No, these would be for sale.

Deputy James O'Connor: I would not expect Mr. Kelly to have it on the spot, but if he could come back to me on that I would appreciate it.

Mr. David Kelly: I can send the Deputy the link to the report.

Deputy James O'Connor: I thank Mr. Kelly.

Chairman: If any members online want to speak, they should put up their hand if they want to get in for a couple of minutes. The Department has a role in terms of the audit via the LGAS. Has the LGAS completed all the audits for 2020?

Mr. Graham Doyle: Yes, at this point I think it would have for 2020.

Chairman: If so, how many recommendations were produced by the LGAS statements?

Mr. Graham Doyle: I do not know.

Chairman: Could Mr. Doyle come back to us with that figure?

Mr. Graham Doyle: I can come back to the committee with the figure. Absolutely.

Chairman: In addition, could he indicate how many of the recommendations that were made by the LGAS have been implemented?

Mr. Graham Doyle: We can try to find data on that, but some would be fully implemented and others partially implemented.

Chairman: I ask in the context of some of the discussions this morning. It is a separate Government entity.

Mr. Graham Doyle: It is a separate office.

Chairman: I am trying to get an overall picture of the country.

Mr. Graham Doyle: Yes. We will engage with the LGAS and see if we can get a sense of that.

Chairman: Could Mr. Doyle please come back to us with an answer to those two questions?

Mr. Graham Doyle: Yes.

Deputy Verona Murphy: Chair, could I ask a question?

Chairman: I will let Deputy Murphy back in.

Deputy Verona Murphy: If nobody else wants to.

Chairman: Could I ask Mr. Doyle about the vacant site levy? The figure is 7% of the value per annum. There is a funding stream in that regard which is overseen by the Department.

What is being collected would appear to be feeble. Out of the 31 local authorities, more than half have not collected anything. Only 8% of the money due under the levy has been collected. Nine counties still have not a single property listed on the vacant site register - Cavan, Galway, Kerry, Leitrim, Louth, Mayo, Meath, Monaghan and Offaly. We take that to mean that there are no vacant sites there for a substantial period. Only five local authorities out of 30 have collected anything. That is Dublin City Council, Kilkenny, Roscommon, Waterford and Wicklow. That means 26 have not. Four other counties have identified sites but not collected anything. They are Carlow, Donegal, Laois and Westmeath. There is a role for the councillors in those counties to ask why that is the case, but it is not for me to tell them what to do.

The vacant site tax, which was introduced by the Houses of the Oireachtas, does not appear to be working. What is the biggest issue in that regard? I understand that there may be issues in some areas with probate or a tragedy in a family that owns the site and a couple of people are perhaps deceased. There could be issues of sensitivity. A local authority may not want to go after people because it has information the Department may not have. Why is it that only five local authorities have collected anything under the vacant site levy? Has there been any questioning of that yet?

Mr. Graham Doyle: It is being considered as not working and it has not delivered.

Chairman: Why?

Mr. Graham Doyle: There are a variety of reasons why councils have not managed to collect under that particular system. It is now being replaced. The Minister for Finance has announced a new tax on vacant properties. It is less about raising revenue and more about bringing the properties into use.

Chairman: Mr. Doyle and I know that there is a financial penalty if an owner is deliberately sitting on a property, watching the value increase and thinking it will all be grand. The only thing that will move a developer, especially if that developer is a speculator, will be the financial penalty of the 7% tax.

Mr. Graham Doyle: I think it was reduced from 7%. I am not entirely sure.

Chairman: It used to be 3% for derelict sites, but is the vacant site levy not 7%?

Mr. Graham Doyle: The Chairman may be correct about 7%. What is happening is that data relating to vacant sites are being compiled in order that the new tax can be imposed with the objective of bringing these sites back into use. That tax that will be applied to people will be collected by the Revenue Commissioners. As I understand it from the Minister for Finance - although I do not speak for the Department of Finance - the real policy objective is to bring properties back into use.

Chairman: Is the collection of the tax being transferred to the Revenue Commissioners?

Mr. Graham Doyle: Yes, the new tax will be collected by Revenue.

Chairman: In many cases, a local authority will contact the owner of a site and when he or she explains what he or she is planning to do and what the barrier is in that regard, that is accepted. That is why we have local authorities. They have local knowledge and that works. Sometimes, we do not have to use a big stick. The owner of the site may have plans in place to bring the site into use, and there is no need to use the big stick. However, it is clear that the big

stick will need to be used in many places. What Mr. Doyle has said is that the collection of the tax is being transferred to Revenue.

Mr. Graham Doyle: No, I am not saying that the existing tax is being transferred. It is a new tax that will effectively replace the old version.

Chairman: What is the timeline for that?

Mr. Graham Doyle: There is a mapping exercise going in relation to vacant properties. It is all coming back through a variety of returns.

Chairman: I am just watching the clock.

Mr. Graham Doyle: My understanding is that the tax is likely to be operational in either 2023 or 2024.

Chairman: Is it the case that local authorities will identify the sites and Revenue will collect the tax?

Mr. Graham Doyle: It will be a Revenue-imposed tax at that point.

Chairman: The final issue I wish to raise very quickly with Mr. Doyle relates to retained firefighters. I have been raising this with the Department. People are leaving the service and younger people are not coming into it. There is a real problem. It is one of the services provided by local authorities that people forget about. The public do not realise the number of services provided by local authorities. One of the essential services is the fire service. In general, local authorities do it very well. There is a real issue with retained firefighters. I cannot quote directly from the previous correspondence I received. From memory, however, I believe it stated that there is a review going on and that there will hopefully be a report by the end of the year. I got that letter three months ago. That is a slow pace. I cannot remember the name of it, but whatever body is charged with this is carrying out a survey. To be blunt, we could find out the views of people who have left the service and those who are still in it as to what the problems are and talk to the fire chiefs. It could be done in a month. We have to try to get things moving more quickly in this country. The review will be ready by the end of the year at the pace it is going, and that is only to find out what is wrong. Are we looking at another year or two years to change the situation, get agreement on it and to implement a new system? Where will the fire service be? This is important to local authority members and staff but even more important to the public in terms of saving lives and preventing damage to property. We do not have time. It is the fire service we are talking about here - an emergency service.

I am not knocking the people who wrote the letter. They are telling me factually what has happened, but I say to Mr. Doyle that as public servants we must move things on more quickly. This exercise should take a month. If this was anywhere else people would be asked to go out and get answers, for example, to 30 questions in the next month. They would be asked to make recommendations and get on with the process.

Mr. Graham Doyle: Ms Quinn is keen to respond to that.

Ms Fiona Quinn: You have outlined the process we are going through, Chairman, and I understand your concerns about the timing of it. This is definitely a matter of concern. The national director for fire and emergency management has a management board which oversees the approach to fire services in the State. There is an ongoing review and it is important that all

stakeholders get the opportunity to feed into that, including the firefighters, the councillors, the executive and, at national level, ourselves. That work is important; it is important that we hear stakeholders' voices and that when there are recommendations they take on board the complexities across the country. There are different situations and different circumstances in different parts of the country, as you are well aware.

Chairman: I am sorry to interrupt you, Ms Quinn, but there are approximately half a dozen big issues, which I will not list here. I ask you to accelerate that process. We do not have time. There are already stations that do not have the required number of staff. It is a good service and it has withstood the test of time. From my observations in the county where I live, it is an absolutely fantastic service. I acknowledge that there has been substantial investment from the Department in equipment such as fire tenders, training towers and new fire stations. That is all to the good, although there are still a couple outstanding such as Rathdowney and Stradbally. You might take note that they are badly in need of a new station. However, there has been great investment. The problem is that we will not have the staff if we do not move quickly on this. Perhaps you will take that point away and refer back to the committee with a response on what can be done to accelerate that process.

Deputy Verona Murphy has a brief question.

Deputy Verona Murphy: It is not so much a question as what I wish to say after our interaction today. There is now a hugely increased budget in the Department. For the past three years, 50% of that budget, which is now in excess of €6 billion, is coming through the Exchequer. There is provision for the Comptroller and Auditor General to take over the auditing function of the local authorities and I expect the Secretary General will have no objection to making a recommendation to the Minister that section 8 of the Comptroller and Auditor General (Amendment) Act 1993 be invoked at this stage so the Comptroller and Auditor General can take over that function. To be fair to the Secretary General, there is far too much in this for him to be answerable, and he is reticent on those things for which he is answerable.

Mr. Seamus McCarthy: I am afraid there is no provision for me to use section 8 in respect of local authorities or to take over the audit. That is not in the legislation. It is specifically provided that I cannot do the audit of local authorities.

Deputy Verona Murphy: I thought section 8 gave the Comptroller and Auditor General the authority where it is 50% of the funding.

Mr. Seamus McCarthy: No.

Deputy Verona Murphy: That was my reading of it.

Mr. Seamus McCarthy: No, there is an appendix to the legislation. It lists entities where even if the 50% fact applies, I am excluded from auditing. Local authorities are one of them.

Deputy Verona Murphy: In that case, Chairman, the committee needs to make a recommendation that legislation be forthcoming.

Chairman: We will be compiling a report and there are two recommendations we will make, with the agreement of the committee. One is with regard to the statement of internal control. The other is regarding the issue that there is funding coming from a range of Departments now. In fairness to the Secretary General, how would he keep an eye on everything? There has to be some mechanism there, and I have not thought this through, to oversee the funding

streams that come from three to seven other Departments.

Deputy Verona Murphy: I am not happy with the current level of corporate governance or oversight at all.

Chairman: There are also the points I made about the local councillors. Perhaps we can get those taken on board and assist the Association of Irish Local Government, AILG, which has made big improvements in the training for councillors. It is to be hoped Covid-19 is behind us and that after the next round of local authority elections we will hit the ground running within a month with regard to that training on the powers of councillors and very quickly after that, within a couple of weeks, on the budget. The officials will be drawing up the budget while the councillors are being elected. That is how it happens.

Deputy Verona Murphy: Chairman, with regard to other questions, can we put them to the clerk to write to the Department or can I make the request now?

Chairman: You can.

Deputy Verona Murphy: Perhaps the officials would outline the process for appointing a chief executive in writing.

Chairman: That is no problem.

Deputy Verona Murphy: With regard to judicial reviews within the Department, could we have a note outlining what judicial reviews have been taken, the legal costs, how many have been successful or otherwise and how many are in train?

Chairman: Okay.

This morning's meeting shows the importance of local government, how seriously it is considered and the role it plays. Sometimes the public miss that. It is there all the time and it is one of those things that are taken for granted. If it was taken away, we would be in an awful position. The more we can improve it, the better, and we should work on that. I acknowledge as well the work of local authorities and of people in the Department over the last two years. The local authorities played a vital role in helping us to get through the pandemic and the difficulties it caused across society. We are in a better place because we have local authorities. Yes, improvements have to be made and it is hoped we can do that.

I thank the witnesses for joining us for the meeting and the staff of the Department for the work involved in preparing for the meeting. I also thank the Comptroller and Auditor General, Mr. McCarthy, and his staff for attending the meeting.

Is it agreed to request the clerk to seek any follow-up information and carry out any agreed actions arising from the meeting? Agreed. Is it also agreed that we note and publish the opening statements and briefing provided for today's meeting? Agreed.

We will suspend the meeting and resume in public session after lunch to deal with correspondence and any other business of the committee, and take private business at the end of the meeting. Is that agreed? Agreed.

The witnesses withdrew.

Sitting suspended at 12.37 p.m. and resumed at 1.30 p.m.

Chairman: The public business before us this afternoon is minutes, accounts and financial statements, correspondence, public work programme and any other business. The minutes of 16 June have been circulated if any member wishes to raise any issue on them. Are the minutes of 16 June agreed? Agreed. As usual, they will be published on the committee's website.

I will move on to accounts and financial statements. One set of financial statements was laid before the Houses between 13 June and 30 June 2022. I will ask Mr. Seamus McCarthy, the Comptroller and Auditor General, to address these before we open up to members.

Mr. Seamus McCarthy: I thank the Chair. The accounts and statements that are with the committee this week are the Health Service Executive financial statements for 2021. There was a turnover of €21.6 billion on those accounts. I gave it a clear audit opinion but I drew attention to a number of matters. I will briefly refer to those. The HSE incurred losses in 2021 totalling €109 million and this was related to the procurement of personal protective equipment, PPE. There were two elements to that. First, the value of PPE stock held at the year end was impaired at a cost of €71 million due to falling market prices for the PPE. At the end of the year, the HSE was required effectively to write off €71 million of what had been spent during the year. The second element is that the HSE wrote off excess stocks of hand gel and some items of PPE at a cost of €38 million. This was material bought either in 2020 or 2021 in the context of Covid-19 but which was estimated at the year end that it would not be used before it reached its expiry date. Therefore, the HSE has taken the hit by writing off those excess stocks in 2021.

Another much smaller item are the costs incurred in 2021 of an estimated €1.25 million in storing a large quantity of protective suits which were written off at a cost of €64 million at the end of 2020. The HSE has not disposed of the protective suits and it is costing a significant amount to keep that material in storage.

As in previous years, in the statement on internal control the HSE acknowledges it has on-going significant non-compliant procurement of goods and services and there is a good bit of detail in relation to that in the financial statements in the SIC.

Finally, the HSE outlines the actions taken following the cyberattack in May 2021 and how it is addressing recommendations to prevent similar attacks in the future. As members will remember, this resulted in significant impacts on the service the HSE was able to provide during the year and there were significant costs associated with it as well. Those are the items I drew attention to.

Chairman: I thank Mr. McCarthy. I would like to ask about the first three items around PPE, hand gel, etc. We are looking at €282 million. I have a question around the €38 million and the write off of excess stocks of hand gel and PPE. I am not well up on these matters but surely hand gel would not go off. Surely it is of use to hospitals, health centres and various other settings.

Mr. Seamus McCarthy: I think the hand gel has an expiry date on it-----

Chairman: Does it?

Mr. Seamus McCarthy: -----and, therefore, from a risk point of view, it would not be safe for the HSE to use it after that date, or to rely on it. It may still have some use but that is a scientific and a product standard issue. The same applies to things like masks, gowns and so on. They have expiry dates, which was a surprise to me as well. One would question how they can have an expiry date but they do and, therefore, projecting forward, the HSE does not envisage it

can use the quantities it bought and still in stock at the year end, within the expiry time.

Chairman: I was always of the opinion that alcohol improved over time.

Mr. Seamus McCarthy: Some of it certainly does.

Chairman: Most of them-----

Mr. Seamus McCarthy: It is surprising-----

Chairman: -----are 80% alcohol, maybe.

Mr. Seamus McCarthy: I think from a legal jeopardy point of view, it cannot be relied upon or offered.

Deputy Verona Murphy: Are there issues with the cost of storage because of the quantities?

Mr. Seamus McCarthy: That is covered under item two. The HSE incurred costs for storing the suits which was written off last year at a cost of €64 million. It did not expect to use those and still had them in storage at the end of 2021. It had cost the HSE an estimated €1.25 million to store them for the year.

Chairman: Okay.

Mr. Seamus McCarthy: There is that question of what to do with excess stock when it cannot be used.

Chairman: Do any members wish to raise any matters around that? No.

We will move on to correspondence. As previously agreed, items not flagged for discussion at 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 relation to correspondence are recorded in the minutes of the committee meetings and are published on the committee webpage.

The first category of correspondence in which members have flagged items for discussion is item B, correspondence from Accounting Officers and-or Ministers and the follow up to the Committee of Public Accounts meetings. A number of items for today's meeting were held over for further consideration. Deputy Carthy is absent and his is the first one. The next one is Deputy Catherine Murphy's and Deputy Carthy's and the following one is Deputy Catherine Murphy's. If the Deputies want to flag something for discussion at a meeting, the clerk can notify them and they can do it at a subsequent meeting. Is that agreed? Agreed.

We will move on to correspondence No. 1279B from the Minister for Public Expenditure and Reform, Deputy Michael McGrath, dated 31 May, in relation to our report on the examination of the 2019 and 2020 appropriation accounts for Vote 29 – Environment, Climate and Communications, and expenditure on the national broadband plan. It is welcome that all five of the committee's recommendations were accepted. The recommendations relate to the failure of the State to meet the greenhouse gas emissions and renewable energy targets; the sustainable energy programmes expenditure; the total cost of landfill remediation; and in relation to broadband, the failure of Broadband Ireland to meet its target for the roll-out of the national broadband plan and the need for the Department to develop in-house expertise to reduce the reliance on external consultants and expertise for advice relating to the national broadband plan. At the

meeting last week, we agreed to note and publish this item of correspondence. I flagged it for discussion. On the failure to meet greenhouse gas emissions and renewable energy targets, with the agreement of the committee, I ask that we write to the Department to ask what the situation is regarding the shortfall in our energy needs. What measures are being taken? We understand, and we read these things in the media, that generators are going to be imported. Are generators going to be imported? How many are going to be brought in? What are they fuelled by? Is it diesel or gas? We do not know. What will the estimated cost of this be to get us through the winter? We know the grid went on orange alert last winter on eight occasions. We also know we had a very mild winter. There is a real concern out there regarding what could happen here and our energy needs during the coming winter. Are we going to wind up running expensive generators? I ask that we correspond with the Department and ask those questions. What is the shortfall? What is the risk? How many generators will there be? What will they cost and what will they be fuelled by? This in the context of greenhouse gas emissions. We have closed down a lot of turf burning stations.

The other issue I want to raise relates to the failure of Broadband Ireland to meet its target for the roll out. It was supposed to be 115,000 premises by 31 January of this year. There was then a revised target of 60,000 to be passed but the actual number passed was 34,454. I note that only 7,000 premises had been passed at that stage. There is now a new remedial plan. We are going way off the target in what we are doing regarding broadband. We recommended quarterly reports, but I suggest we ask for a report from National Broadband Ireland, NBI, on the number of premises passed by the end of June 2022 and on the number of homes actually connected because there is an issue around the percentage take-up, which is quite low, as well as on the projections and targets for the remaining part of the year, if that is agreeable. Does any member wish to come in on that? If that is agreed, we will move on.

No. 1281B is correspondence from Ms Vivienne Flood, head of public affairs at RTÉ, dated 31 May, providing information requested by the committee regarding revenue generated by advertising on the RTÉ Player. We agreed to note and publish this correspondence at our meeting last week. It is related to the following item, so I will set that out as well before opening the floor.

No. 1290B is correspondence from Mr. John McKeon, Secretary General, Department of Social Protection, providing further information requested by the committee regarding the investigation of contractors engaged by RTÉ. We agreed to note and publish this correspondence at our meeting last week. We also agreed to request details of any litigation fees incurred in respect of the reference in the correspondence to appeal notifications for approximately 29% of all cases, and an information note regarding the number of former contractors who are no longer on contract or employed by RTÉ, including whether they are within the scope of the investigation. Deputy Catherine Murphy contributed on these items last week, as did Deputy Munster who also flagged them.

Deputy Imelda Munster: On No. 1281B, the correspondence from RTÉ indicated that the scope section does not have any remit in respect of pensions or holiday liabilities. I ask that we seek further clarification from RTÉ on whether these matters will form part of the discussions with workers once the Revenue and scope section investigations have concluded. Did the Chairman reference No. 1290B?

Chairman: I did.

Deputy Imelda Munster: On No. 1290B, in fairness to the Department, that is probably

the first response to any query the committee made regarding this issue whereby we have actually been provided with useful information that we had requested. I ask that we request further information, particularly on how many people in total are being reviewed. How many of them have a determination being made with regard to that review? What is the liability accrued on the basis of those cases that have been determined in the workers' favour? I also ask the Department to provide an update to us on a similar basis in early September.

Chairman: Okay. Does any other Member wish to come in on this? I note from the figures we have been given so far that 60% of the workers whose cases have been examined and investigated have been found to be wrongly classified as self-employed. At this point, it would be useful to know how many workers in total have had their cases examined so far. In addition, since this has come up in our examination of this matter, what is the situation regarding compensation and recompense for lost holiday pay and PRSI contributions for workers classified as employees as opposed to being self-employed? It would be useful if we got that information from RTÉ.

In fairness to the Department, we cannot go back to it every week or anything like that. The Deputy suggested it would be useful to have that information by September. The information supplied by Mr. McKeon is helpful in that regard.

Deputy Imelda Munster: I asked for a similar update in early September. I also asked that we have the information I requested in the meantime.

Chairman: Okay. I thank the Deputy for that.

The following correspondence was received last week and while it is not flagged for discussion, clarifications were provided regarding evidence presented to the committee. It is No. 1306B, correspondence from Mr. Joseph Nugent, chief administrative officer, An Garda Síochána, dated 15 June 2022, providing information requested by the committee arising from our meeting with An Garda Síochána on 31 March 2022. As well as providing the follow-up information requested by the committee, the correspondence includes a request that the record be corrected in respect of information provided to the committee by the Commissioner in his opening statement.

The Commissioner stated 2020 gross expenditure was €1.94 billion and the figure for appropriations-in-aid was €115 million. This correspondence clarifies that the correct figure for gross expenditure is €1.93 billion - €0.01 billion less - and that the correct figure for appropriations-in-aid is €117 million. There is a difference in that the expenditure was not €1.94 billion but €1.93 billion. It was a genuine mistake by the Accounting Officer. The appropriations-in-aid was not €115 million but was €2 million higher than that. That is useful. In respect of the implementation of technology across the organisation, the Commissioner stated that 3,000 mobile data stations were provided to front-line gardaí. This correspondence clarifies that the number of mobile data stations is 2,500.

On the responses to the questions posed by the committee, we might follow up on the following. In relation to question 4, I propose that we request clarity as to how much of the overpayments in 2019 and 2020 have been recouped for each year and, in light of the €4.201 million in recoupments since 2017, details of the total amount of overpayments in each of the years from 2017 to 2020. On question 7, as the response states that expenditure on taking blood samples forms part of a number of services provided for under medical services and cannot be separated out, I propose we request a breakdown of medical services to the greatest level of

detail possible. As regards question 8, the correspondence states that €15.5 million was spent on 9,000 mobile devices and apps. This works out at approximately €1,722 per device with apps. We will request further detail regarding that because it seems quite high, although these may be fairly elaborate devices. On question 12, as highlighted in an internal review of youth referral incidents, the correspondence states there were 16,877 cases in which no prosecution resulted between January 2010 and July 2017. Further detail on the types of reasons for the lack of prosecutions would be helpful.

Is it agreed to request the information as outlined? Agreed. We accept the clarification or correction of the record from the Accounting Officer. That will be done. We will move on to category C, correspondence from and related to private individuals and any other correspondence. The first item is No. 1268 C, which comes from an individual on behalf of Louth Environmental Group. It is dated 25 May 2022 and encloses correspondence regarding funding for a coastal greenway in Dundalk, County Louth. At our meeting last week, we agreed to note this item, which is addressed to the clerk of the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach. Deputy Munster has flagged this item. I am sure she will have an interest in it.

Deputy Imelda Munster: It is perfectly understandable for Louth Environmental Group to be frustrated, to say the least, that projects it has proposed have gone without funding when nearly half of the funding available was returned unspent. Could we seek clarity from the council as to why the proposal from the group was not successful or why the council did not deliver on the revenue scheme more generally and sent that amount of money back?

In its correspondence, the Louth Environmental Group states that it acquired the agreement and permission of the landowners some time ago but the county manager's response is that the issue was the failure of the community groups to secure the land required. The project had been ongoing for a good many years and had been included in the development plan since 1996. The council was therefore well aware that there was an eagerness to undertake the project.

In light of the return of that vast amount of money, we should seek clarity from the council and the county manager with particular regard to the points raised in the correspondence we received. It is not acceptable for the county manager to just say there was a failure to secure the land when the group has argued that it had been secured and that it was included in the development plan since 1996. One would imagine that, when the council got the funding, it would have jumped on it and proceeded with the project. Having been a councillor on Louth County Council, I would say there are questions to answer. If we could do that, it would be much appreciated.

Chairman: Does the proposed greenway run along an old railway line?

Deputy Imelda Munster: As far as I know, it does not. It runs along the waterfront. That is where the properties on which the group got permission to carry out works are. There was a footpath.

Chairman: What is the Deputy's proposal?

Deputy Imelda Munster: I propose that we write to the council and the county manager and ask her to respond to the issues the Louth Environmental Group has flagged, including that the project had been included in the development plan since 1996 and that the group was confident that the lands had been secured.

I also propose we ask her what efforts the council made to pursue this project once it had the funding. Why was funding of that scale returned when the council knew this was in the development plan? You would imagine the council would have been rubbing its hands together when it got that funding and that it would have been enthusiastic about getting the project done.

I propose we ask for a detailed response. I do not know if it is possible but we should ask whether that funding could be recouped seeing as it appears to have been sent back prematurely.

Chairman: We will ask that. We may add some other questions. We might raise the question of active travel. The council should be promoting it because it is where things are going. I notice that the proposed walk goes from the railway station in Dundalk to Blackrock village. There may be a benefit in that regard. With the agreement of the committee, we could raise that in the letter to the chief executive. Is the Deputy okay with that?

Deputy Imelda Munster: Yes.

Chairman: I think it is important because a big effort is being made to link railway stations and bus depots to local communities. Blackrock village has grown in population and size so this project could be useful from an environmental point of view.

Before we move on, the clerk has provided me with a further note in respect of No. 1306 B. On question 16, I propose that we accept the offer of the final version of the implementation plan relating to the recommendations made by the Policing Authority arising from its review of the closures, including calculations of computer assisted dispatch incidents. On question 18, I propose we reiterate our request for clarity as to how many GSOC recommendations that disciplinary action be taken against a member of the force had been set aside by the Commissioner. Are members okay with that? I will take those proposals as being agreed.

We will move on to the work programme. Next week, on 30 June, we will engage with the Department of Foreign Affairs. We are a week out from the meeting so it is somewhat late but if members think of anything specific they wish to raise with the Department in the next day or two, I ask them to notify the clerk. The issue of the passports will obviously be a big part of the meeting. We will also discuss other matters.

A meeting with the Department of Education is confirmed for 7 July. That invitation included: the 2020 appropriation accounts for Vote 26 – Education; the Comptroller and Auditor General’s special report 112, which is on financial governance and reporting in education and training boards; chapter 7 of the Comptroller and Auditor General’s 2018 report on the accounts of the public services, which is on the purchase of sites for school provision; and chapter 8 of the Comptroller and Auditor General’s 2018 report on the accounts of the public services, which is on the management of the schools estate. Members might have a think about that. There is a lot in it. I do not want to narrow it down but, if there are specific issues members want to raise within those four headings, I ask them to please do so. There might be an awful lot in two chapters, a special report and the accounts.

A meeting with An Bord Pleanála is scheduled for 14 July. This is the last meeting scheduled in this sitting. A representative from the Department of Housing, Local Government and Heritage will also be in attendance. Are there any other matters members wish to raise with regard to the work programme because there will not be another chance until November? If that is agreed, our consideration of the work programme is concluded for today.

Under any other business, does any member wish to raise any other matter? We will briefly

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go into private session before adjourning until 30 June, when we will engage with the Department of Foreign Affairs.

The committee went into private session at 1.58 p.m. and adjourned at 2.43 p.m. until 9.30 a.m. on Thursday, 30 June 2022.