

F7/03/11

7 December 2011

To: Accounting Officers

Circular 13/2011:

Review of oversight and compliance arrangements of certain entities in receipt of public funds

A Dhuine Uasail,

1. I am directed by the Minister for Public Expenditure and Reform to issue a letter to all Accounting Officers regarding recommendation 2(v) in the Committee of Public Accounts – Final Report on Appropriation Accounts 2008 & 2009; Annual Reports of the Comptroller and Auditor General 2008 & 2009; and Special Reports of the Comptroller and Auditor General.
2. Enquiries in regard to this circular can be addressed to Government Accounting Unit, Department of Public Expenditure and Reform, telephone: +353 1 6767571, Lo-Call: 1890 661010 or email: govacc@per.gov.ie.

Mise le meas,

Robert Watt
Secretary General
Department of Public Expenditure and Reform

Dear Accounting Officer,

The Committee of Public Accounts in their report on Appropriation Accounts 2008 & 2009 published July of this year recommended that *All Accounting Officers should review controls of subsidiary bodies that do not have executive authority and who have their own separate facility to spend public funds.*

This recommendation was made in the context of discussing the enhancement of governance and internal controls, with particular reference to those entities within public service bodies that have separate bank account and signing arrangements and which receive State funds.

Specifically the Committee had in mind the breaches of corporate governance rules and the weaknesses in controls highlighted in their examination of the Health Services National Partnership Forum (HSNPF). The Committee observed that “Departments must improve their oversight of subsidiary bodies as well as their own line divisions in order to ensure compliance with corporate governance practices and to avoid budget waste”.

You will appreciate the need for a robust governance framework, including internal controls, in relation to the interaction between Departments/Offices and any bodies under their aegis in receipt of voted expenditure.

In this context, I am writing to request that you examine whether your Department or Office has responsibility for any body or fund in a similar situation to the HSNPF and that where payments are made to such entities you conduct a review of the oversight and compliance arrangements in place to satisfy yourself in that regard.

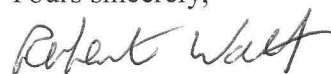
Among the elements that should inform the conduct of such a review include:

- The requirements of Public Financial Procedures;
- the Code of Practice for the Governance of State Bodies; and
- the Comptroller & Auditor General attention during his audit to the application of the principles of regularity and probity.

The Chairman has indicated that it is the intent of the Committee to follow up on recommendations it has made, through the Office of the Comptroller and Auditor General.

Your attention to this matter is much appreciated

Yours sincerely,



Robert Watt,
Secretary General,
Department of Public Expenditure and Reform