

**IMPLEMENTATION
BODY**

12 October 2012

Mr. Eoghan Murphy T.D.
Dáil Eireann
Houses of the Oireachtas
Leinster House
Dublin 2

Dear Deputy Murphy,

Further to my appearance before the Public Accounts Committee yesterday, I would like to offer clarification in relation to savings reported by the Body, specifically in the context of the local office re-organisation in the Department of Agriculture, Food and the Marine which was subject to independent verification by Grant Thornton Accountants.

Firstly, in relation to the pay bill savings reported under the Agreement, the Body wishes to make clear that these figures are based on the average annualised savings per employee arising from the reduction in staff numbers across the public service during the relevant review period as well as other reductions in the costs of the public service pay bill (i.e. overtime, allowances etc.). There is no additionality in respect of overheads or anything else of that nature in these figures. The staff number figures used in the calculation of these pay bill savings are those used centrally by the Department of Public Expenditure and Reform for reporting purposes to the EU/IMF troika. The Body is entirely satisfied with the accuracy of the €810m in pay savings reported to date under the Agreement.

With regard to non-pay savings reported under the Agreement, these savings are reported to the Body by individual Departments and Offices and are compiled by the Body. €678m in such savings have been reported under the Agreement to date.

The Agreement provides for the external verification of the savings reported by Departments in respect of the various initiatives being progressed under the Agreement. The Body has engaged external accountants on two occasions (MKO Partners Ltd and Grant Thornton) to carry out a number of such sample validations. Seven projects have been verified under this process to date. In all cases, the external accountants found that the savings declared by management were reasonable estimates of the savings that have arisen, or which would arise, due to the implementation of the projects in question.

Specifically, with regard to the re-organisation of local offices in the Department of Agriculture, Food and the Marine that has been cited, the Body wishes to clarify for the avoidance of any doubt whatsoever that it was the more conservative savings figure used by Department of Agriculture management that was used by the Body in its calculation of the overall non-pay savings. Therefore, there can be no question of any overestimation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'PJ Fitzpatrick', with a large, sweeping flourish extending from the end of the name.

PJ Fitzpatrick
Chair