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Secretary General,  
Department of Public Expenditure and Reform,  
Government Buildings,  
Upper Merrion Street,  
Dublin 2

JMcG/AB0712/485

20<sup>th</sup> July '12

Dear Robert,

Thank you for your letter of 11th July, which I read with interest.

I understand what the Civil Service is charged with and would suggest that it also has an overriding obligation to do what is best for the people of Ireland.

I note what you say about core values. The list you provide is extensive, laudable and very Corinthian. Those values may endure, but if professionalism, transparency, personal responsibility, value for money, speed, vision, state of the art management, systems, controls and human resources practices, and a commitment to excellence, are not quickly added I'm afraid Ireland will be left behind, because the public service, generally, is ill equipped to meet the challenges facing this country nationally and internationally.

In my opinion, our public servants have to discard the old model, where they were in the back seat and out of view. Today, as partners, they should be up front, supporting, advising and urging on our businessmen and entrepreneurs, and ensuring that public service organisations, paid for by public money, are run and managed in accordance with private sector best practice. That is not happening at the moment and, despite the rhetoric, I cannot see it happening anytime soon, which is a cause for concern.

Competition among nations for jobs, natural resources and inward investment is growing. In the future, much more will be required of senior and middle public service managers who advise politicians or control expenditure. Ireland will need professionals across all departments who can negotiate, take decisions, lead and think outside the box; qualities and qualifications which, for historic and cultural reasons, are rare in the public service of many European countries, including Ireland, who rely heavily on generalists and consensus, which, in my opinion, has contributed a great deal to the state Europe is in today. The exception, of course, is Germany, particularly, and one or two others, in my experience, but all have hardened their socialist hearts with capitalism.

We can see that in Germany's stand on Europe today. It is listening to Nietzsche, who said : "Pity preserves that which is ripe for destruction". German money will not be spent on propping up poor management and sloppy thinking. The Irish taxpayer shouldn't either.

At home, money wasted has to be replaced from the pockets of public and private sector workers and businesses through increased taxation, which is rigorously policed. That is not fair, because expenditure is never addressed with the same rigour, and costs continue to spiral. There is a price to pay for beating up a compliant Peter to pay a profligate Paul.

We now have strangers telling us to do what we should have done many years ago with the public service: cut overheads, demand efficiency and prepare for a rainy day. Now, shamefully, the people of Ireland have to do hard miles, because our political and public servant leaders, over many years, took soft options, with trade union approval and encouragement. And taxpaying Peter understands what the troika are talking about.

I understand that the changes I am calling for may be a giant step for a culture devoted to the status quo, caution and prudence. But the virtues, and the Corinthian ethos which you describe, will be of little use against confident, professionally qualified, competent senior public servants representing their countries on the world stage. I can understand that truth, as I see it, being unpalatable, but it is what I believe and what informs my desire to encourage rapid change in the way our public service does its business.

We should be reforming ahead of as many countries as possible, by making our public service organisations lean, mean and fit for purpose, employing sufficient professionals to achieve the aim of bringing those organisations up to international standards of best practice. We must quickly create a confident public service whose proactivity, professionalism and willingness to engage with change and new ideas makes it a wanted and respected partner of the private sector and a unique selling point that will help to attract inward investment to this country. If that requires that another "principal task" is added, so be it.

That may seem like a big dream, but we can make it real. In fact, I would contend, our future success as a nation will depend on how real we can make it in a short period of time. But you need to understand that it is a vision of how great a public service we could have, if we are brave enough to dream big, that informs my position, and my constructive criticisms of the existing culture, which, in my opinion, strangles ambition and prevents progress.

I agree that reputation and trust are easily damaged and hard to repair, but that has been happening for a long time. I am not responsible for it, if that is what you are suggesting when you talk about "unsubstantiated allegations of a serious nature appearing in the Sunday Independent" Frankly, I am surprised that you find what was said "serious". Sticks and stones and all that being taken into account.



I have no doubt at all that there are at least 5 senior Civil Servants who do not believe change is necessary, or that Dáil committees are getting above themselves. I have met some. And I am quite sure there are at least 5 who do not want a Bank Inquiry. What is unusual about that? It was ever thus.

The hallmarks of all spent cultures, as we in Ireland know to our cost, are resistance to change, and the ignoring of critical or questioning voices, no matter how reasonable they are.

Every organisation, be it a parish committee or the European Parliament, has within it people who come together to defend the views and attitudes they share. It is not unusual, and it is not wrong. I am quiet sure that they have their reasons and they are entitled to them. Having watched and enjoyed " Yes, Minister " I think the Irish public would be surprised if there wasn't a group of Civil Servants, or politicians, somewhere, plotting against each other or against one of their own! We must not forget "The Prince" is still in print.

However, if you are searching for reasons why the reputation of and trust in the public service have been damaged in the eyes of the public, look no further than the minutes of a considerable number of PAC investigations. For example , look at the inquiries into Dublin Docklands, Waterworld and a €3.6 billion oversight by the Department of Finance, whose Secretary General departed for EU pastures, pay, pension and perks shortly afterwards.

You could also look at the testimony of Marie Mackle, an assistant principal officer in the Department of Finance who had a lot to say about diligence, responsiveness and accountability, or the lack of them, in that department while the Celtic Tiger was roaring. And you are more concerned about a newspaper headline?

PAC is only concerned about getting to the truth. We do our work in an impartial, fair and courteous manner, and we try to do that work well. I would like you to look at the number of times we have had to watch senior public servants hold up our work by giving ambiguous answers, or no answers, or not providing full information and then taking an eternity to comply with requests to hand it over. Our work is done in public and we know that the public are unhappy with the way the public service is being managed.

All of the members of the Committee are elected representatives of the people of Ireland trying to discover what has happened to tens of millions of euro of taxpayer's money. We come from our weekly clinics, where we hear about relatives on trolleys in hospital corridors, sons and daughters on aeroplanes going to Australia or elsewhere, families desperate for money to pay bills and small businessmen watching their life's work disappear, to sit in PAC meetings listening, politely, to shocking tales of waste, inefficiency, lack of control and mismanagement, usually involving huge amounts of public money.

The lives of the people in our clinics and people like them, decent, hardworking and law abiding, and the lives of the weak and vulnerable in our society, would be infinitely better off if the hundreds of millions of hard earned taxpayers money which have disappeared down black holes, for reasons we often find hard to understand, or stomach, had been saved and spent on them. So pardon me, Robert, if your concerns about trivial headlines in a newspaper don't get me jumping, especially when I consider how often no one is found responsible, because "it was systemic failure, the machine done it sir". That is accountability?

The taxpayer is pouring billions of euro into an ATM that reluctantly dispenses pence, and less reluctantly, bales of red tape! And you are concerned about newspaper headlines?

As a politician, as distinct from being chairman of the Public Accounts Committee, I want to see change and believe that Ireland will suffer until radical, far reaching reform of our public service takes place. If you have any doubt about the need, come to my clinic, or those of any other politician, and look into the eyes of decent people whom the system has miserably failed to protect and provide for, which is the state's primary duty.

I believe senior public servants, who are paid, pensioned and perked extremely well for what they do, should be personally responsible for the decisions they take and the anonymity provided by the 1924 Act should be removed. I do not believe that this should interfere with the advice they give, but it might encourage greater care, and it would certainly make them accountable.

I think if a minister resigns because of bad advice, he should take his bad advisers with him. The current position has led to ministers bringing in there own advisers, at huge cost, which says a lot about their opinion of the service they are getting from their officials.

I believe your minister, Brendan Howlin, if he is serious about accountability and transparency in the public service, should table a Bill like the one I brought before the Dáil a few weeks ago, which the Government of rectitude and reform voted down, giving the Comptroller and Auditor General the powers and staff he needs to investigate the spending of €5 billion of taxpayers money by Local Authorities.

The fact that Ireland's Chief Financial Officer is being prevented from auditing the spending of such a huge sum because internal, often unqualified, auditors do the work in each Local Authority, reporting on their colleagues decisions under the control of their county manager, is a huge cause for concern. If he or the Government do not correct this, without any doubt, at some point in the future, the people of this country will be given plenty of reasons to ask why they did not.

I am an experienced politician delivering a message that I believe in when I say that the public service has to change, reform and renew itself. I understand that message is not welcome, but it is one that a growing number within the public sector and among the public believe has to be listened to. And it is one that your department should pay more attention to.



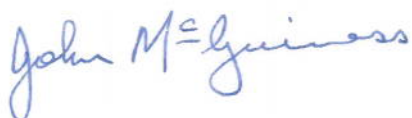
It is without doubt that politicians down through the generations are responsible for the state we are now in with regard to the public service. They did not challenge or assert their authority. They allowed a reactionary culture to take hold and they must now loosen its grip and encourage or, if necessary, demand, a permanent engagement with change. The cost to the country of this failure to lead is enormous and it is regrettable that the trend continues.

What I am doing is trying to encourage a wide ranging discussion about all of this. I do not expect that my efforts will be welcomed, but that is normal and it will not deter me.

None of this has anything to do with my position as chairman of the Public Accounts Committee. I was calling for public sector reform before I was elected to the Dáil and I will continue to do so. As chairman of the committee, I do my work in a fair and open manner: exchanges may sometimes be robust, but I ensure that all those who come before us are given a fair hearing and are treated with courtesy and respect.

Finally, let me say that I continue to believe that the PAC is the committee best suited to conduct the Banking Inquiry, and that view is shared by the public. The Committee has done the preparatory work and has sought and been given legal advice about how it might proceed. It is difficult to understand why the minister believes he needs to consider other avenues at this late stage, particularly when the PAC's credentials are unrivalled in relation to inquiries of this nature.

Yours sincerely,

A handwritten signature in blue ink that reads "John McGuinness". The signature is written in a cursive, flowing style.

John McGuinness, T.D.  
Chairman,  
Public Accounts Committee.