

From the Permanent Secretary
Paul Priestly



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Our reference: PSDRD 204/10
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Dear Paul,

I wrote to you on 2 August providing an extensive range of information in response to the Public Accounts Committee's requests for further evidence from the Department following the PAC hearing on 1 July about the governance of NI Water. You have my personal assurance that colleagues in NI Water are working with all speed to analyse the data on the two outstanding matters (about staff substitutions in NI Water and their cost) and produce the information sought by the Committee. At this moment, I believe it should be possible to provide this information to you by the end of August.

There have been some developments since then that cause me concern and that could cause concern to the Committee. I want to offer you and the Committee my personal assurance that in seeking to respond to these developments, neither I nor the Department were seeking in any way to usurp or undermine the work of the Committee or its standing in this inquiry. I fully appreciate and respect the essential role and work of the PAC. I also want to assure you that at no point was I seeking to interfere with the work of the Comptroller and Auditor General or the NI Audit Office.

By way of background, a journalist approached the Department on 4 August and asked for comment on allegations about two e-mails sent by me to the Comptroller and Auditor General, Kieran Donnelly. The Department was concerned about the slant being put on this correspondence and, in responding to the journalist's inquiry, felt an explanation had to be provided. I offered an explanation which was passed to the journalist and appeared in News Letter articles on 5 and 6 August. Upon reflection, I realise that I should have communicated first with you and the Committee and I apologise for not doing so.

I would like you as Chair and all members of the Committee to be absolutely clear about my motivation in sending these two e-mails to Kieran Donnelly. I am therefore providing this explanation of my actions.

I received by e-mail on the morning of 5 July, a 'for information' copy of the letter which Peter Dixon sent to you as Chair of the PAC. I concluded that this letter should be copied for information to Kieran Donnelly, in keeping with what I considered to be the normal working relationships between the Department and the NI Audit Office. I hope that you and your colleagues on the Committee will accept this explanation of my motivation for alerting him to the existence of the letter.



AN ROINN
Forbartha Réigiúnaí

MÄNNYSTRIE FÜR
Kintra Pairts Fordèrin

Clearly, in the light of Peter Dixon's subsequent retraction of his letter, my communicating it to others was unfortunate and is a matter of personal regret. I trust that this explanation will reassure the Committee about my motivation at the time.

Jackie Henry also contacted me that morning. She was concerned that doubt had been cast on the independence of the Independent Review Team (IRT) at the PAC hearing on 1 July. As a courtesy, she told me that the IRT intended to ask for a meeting with Kieran Donnelly, to assure him about their independence and that their report was evidence-based. The second e-mail to Kieran Donnelly was to alert him to the IRT's intention. I'm sorry that in producing this e-mail I accidentally hit the 'Caps Lock' button.

The two e-mails were therefore intended to update Kieran Donnelly on developments. They did not in any way seek to direct him or interfere with his work or that of the Public Accounts Committee. You have my assurance that none of the actions I took that morning was in any way about usurping or undermining the work of the PAC on this inquiry. The allegation that I was attempting to do so is without foundation. I respect the independence of the Comptroller and Auditor General and the important role of the PAC.

Yours sincerely,

Paul Priestly

PAUL PRIESTLY