

Joint Committee of Inquiry into the Banking Crisis

Project update

Issue 3: June 2014 – September 2015

30 September 2015

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Introduction

- Parliamentary inquiries are public processes, funded by public monies. The Joint Committee of Inquiry into the Banking Crisis is committed to transparency and has decided to publish its costs on an ongoing basis as it continues its work.
- While public hearings with witnesses are televised and webcast live, these are only part of the process. Much of the Joint Committee's work is less visible to the public. A parliamentary inquiry is a complex project, requiring significant behind the scenes work to support the public hearings leading to the final report.
- This project update is the third in a series, showing the costs of the Inquiry as they are incurred, along with key activities and milestones to date. There will be a final update with the Inquiry report by end January 2016.
- This update covers:
 - work in setting up the Inquiry from mid-2014 to early 2015;
 - the Context Phase from December 2014 to March 2015; and
 - the Nexus Phase, with public hearings from 22 April to 10 September 2015.

Progress against key project milestones at 30 September 2015

What

May : June : July : Sept : Oct : Nov

Dec : Jan : Feb : Mar : Apr : May : Jun : Jul : Aug : Sep : Oct : Nov : Dec : Jan 16 :

Scope and agree terms of reference

Inquiry established by the Houses, and section 33 AK legislation passed

Context Phase Public hearings

Nexus investigation phase

Nexus Phase Public hearings

Report drafting, and consultation

Final Report to Dáil and Seanad

OVERVIEW

A 20 month process

Three phases, all overlapping

1. Scoping and Establishment Phase: May 2014 to February 2015
2. Context Phase – December 2014 to March 2015
3. Nexus Phase – December 2014 to January 2016:
 - o Investigation
 - o Public hearings
 - o Report

30 September 2015

Scoping and Establishment Phase

May 2014 to February 2015

May 2014

- Joint Committee established by both Houses to scope and propose terms of reference for the Banking Inquiry.

June 2014

- Joint Committee first meeting.

July 2014

- Ad hoc support group established on a pro bono basis to assist the Joint Committee in developing the Inquiry “relevant proposal”(covering scope and terms of reference).
- Progress report from ad hoc group.

July to September 2014

- Joint Committee meets 11 times and ad hoc group meets 6 times.

September 2014

- [Final report from ad hoc group](#).
- [Joint Committee’s proposal to Dáil and Seanad Committee on Procedure and Privileges](#) (CPPs).

November 2014

- Dáil and Seanad CPP reports to both Houses.
- Joint Committee formally established as an Inquiry Committee by both Houses.

February 2015

- Legislation and Standing Orders to enable Banking Inquiry to access confidential information held by the Central Bank passed by both Houses (“section 33AK”).

The Banking Inquiry involves two distinct Phases: the Context Phase and the Nexus Phase

Context Phase

December 2014 to April 2015

- **Purpose of the Context Phase:** To frame the broad context for the Inquiry, to set out the background to the crisis, and to prepare the ground for the Nexus Phase public hearings.
- **Themes:**
 - Previous reports on Ireland's banking crisis
 - Banking Policy, Systems and Practices
 - Banking Regulation, Supervision and Financial Stability
 - International, EU and domestic policy context, including Economic and Monetary Union
 - Early warnings, divergent and contrarian views
 - Relationships between State authorities, political parties, elected representatives, supervisory authorities, banking institutions and the property sector
 - Public policy and systems of governance in parliamentary democracies
 - Role of the media during the property boom in the lead-in to the crisis
 - The Irish housing market and establishment of NAMA
 - The nature and functioning of the commercial real estate market
- **First Context public hearing session** – 17 December 2014
- **Final Context public hearing session** – 2 April 2015
- **Context in numbers:**
 - **31** public hearing sessions / **17** days / **12** weeks
 - **34** witnesses
 - **26** Committee private sessions
 - **126** hours of Committee sittings [public and private from Dec 2014 to 2 April 2015]

Nexus Phase

December 2014 to January 2016 [Position as of 30 September 2015]

- **Purpose of the Nexus Phase:** To identify the key questions to be addressed in public hearings and the inquiry report, to identify and direct the provision of relevant evidence (written and oral) on this basis, and to analyse all evidence and report on this analysis in the form of a final report.
- **Three inter-related streams:** banking, regulatory & supervisory, crisis management & policy responses
- **Witnesses:** As part of the Nexus Phase, the Committee engaged with institutions and individuals who had roles during the crisis.
- **First directions for documents** – 19 December 2014
- **First documents received** – 28 January 2015
- **First directions for public hearing witnesses** – 16 March 2015
- **First Nexus public hearing session** – 22 April 2015
- **Final Nexus public hearing session** – 10 September 2015
- **Nexus in numbers:** [position as of 30 September 2015]
 - **42,000 documents** / over **520,000 pages** received to date from participants.
 - Main participants:
 - Banks: AIB/EBS, Bank of Ireland, Ulster Bank, IBRC (covering Anglo / INBS), Permanent TSB, Bank Auditors: Deloitte, EY, KPMG, PwC.
 - Central Bank, Department of Finance, Department of the Taoiseach, Oireachtas, NAMA, NTMA, IBF, ICTU, IBEC, Developers
 - **80** public hearing sessions / **32** days / **16** weeks.
 - **97** witnesses called to public hearings.
 - **42** written witness statements [for non-public hearing witnesses].
 - **44** Committee private sessions.
 - **287** hours of Committee sittings [public and private from April to end September 2015]

Inquiry staffing and support services

A. 45 staff in Inquiry Support Centre

- Secretariat and administration – 20
- Investigation team – 20
- Legal team – 5

B. Inquiry parliamentary assistants (Members' Employees)

C. External services:

- Executive search / selection (investigator recruitment)
- Context Phase support team
- External legal support

STAFFING SCALED UP/REDUCED, (as required)

- 16 June 2014: first meeting of Committee – **7** staff
- 26 November 2014: Inquiry established – **19** staff
- 30 June 2015: full complement of **51** staff
- 30 Sept 2015: reduced to **45** staff

24 unestablished civil servants on fixed-term contracts.

21 civil service staff, 17 employed by the Houses of the Oireachtas Commission and 4 seconded from other Departments.

Scoping and establishment costs May to November 2014

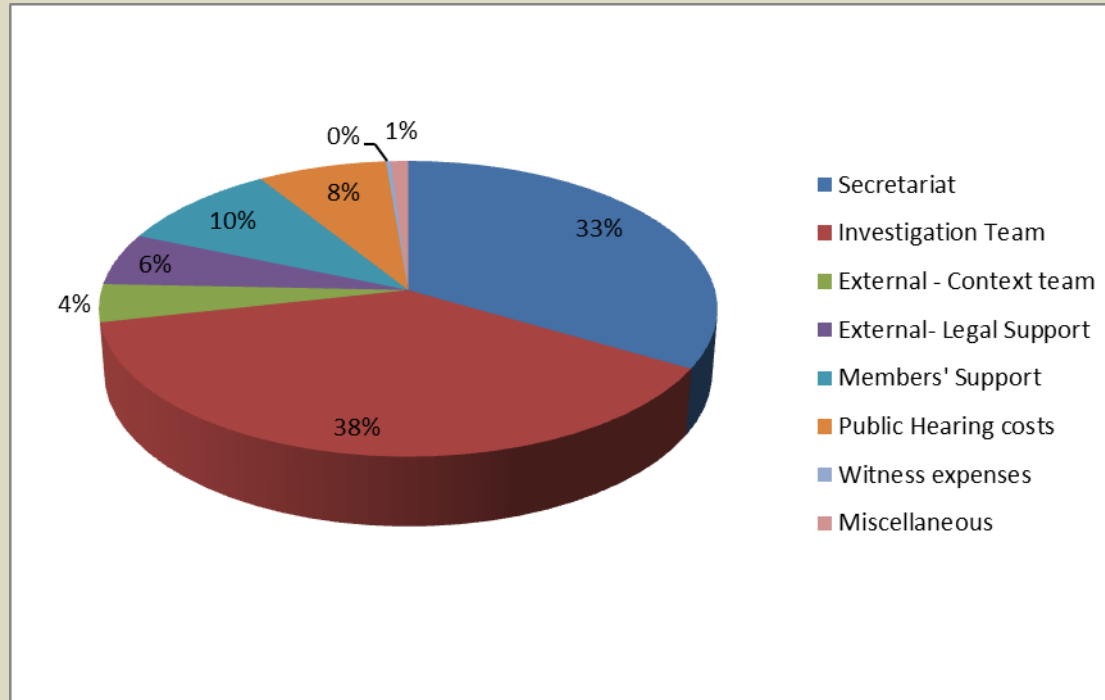
Inquiry staffing and recruitment	466
Secretariat	326
Executive search/selection	140
External legal advice	56
* ICT systems	365
* Accommodation fit-out (Inquiry Resource centre)	174
Miscellaneous	3
Cost to date (€000)	1,064

**ICT systems and accommodation are re-usable for future inquiries*

Running costs of the Inquiry to date 26 November 2014- 30 September 2015

Inquiry staffing	3,147
Secretariat	1296
Investigation team	1476
Members' staff	375
External services	382
Context team	160
Legal support	222
Public hearing costs	296
Witness expenses	11
Miscellaneous	40
Cost to date (€000)	3,876

Running costs of the Inquiry - overview



BREAKDOWN

Pay	81%
Non-pay	19%