



A decade on, is it time to drop the outrage?



Leinster kick off the season tonight in Wales



# THE IRISH TIMES

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## EY's audits of Anglo involved serious failings, report alleged

JACK POWER

Serious failings and professional incompetence were alleged in an unpublished report compiled by a former comptroller and auditor general into elements of Ernst & Young's audits of Anglo Irish Bank in the years leading up to its nationalisation in early 2009.

The report, seen by *The Irish Times*, documents a series of shortcomings in how the accounting firm, now known as EY, failed to uncover suspect practices relating to loans held by former chairman Seán FitzPatrick and its former finance director Willie McAteer, and the movement of €7.2 billion between Anglo and Irish

Life & Permanent in 2008.

The report was produced in 2011 by former C&AG John Purcell for Chartered Accountants Ireland (CAI), of which EY is a member. It was never published in full, and was put on ice while a series of trials relating to Anglo went through the courts.

Mr Purcell's report said EY's failure to detect the scale of Mr

FitzPatrick's loans and their "systematic refinancing over year ends and the lack of appropriate disclosure in the 2008 financial statements" represented "incompetence".

**Liable to disciplinary actions**

In connection with the €7.2 billion in transactions between Anglo and Irish Life & Perma-

nent, Mr Purcell's opinion was that there was a lack of "proper examination" by EY, representing "professional incompetence" on its part.

In relation to an €8.2 million loan to Mr McAteer, it found that EY was liable to disciplinary actions under the CAI's by-laws.

EY has previously rejected

the findings of the Purcell report and declined to comment to *The Irish Times* for this article.

Mr Purcell found that EY had no case to answer in relation to loans provided by Anglo to 10 customers for the purchase of shares controlled by businessman Seán Quinn, or in connection with certain loans provid-

ed by Anglo to key management.

The allegations in Mr Purcell's report are expected to form part of the CAI's disciplinary inquiry against EY, along with the firm's response.

Questions for EY over Anglo Irish Bank audits: Business This Week



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A rival to Paris or Rome with plenty to keep the kids amused - Róisín Ingle in Belfast  
Life, page 17



**Bitter harvest**  
Will the Government pay the price for rural neglect?  
Noel Whelan, page 18



**Employers must work harder to attract women back into the labour force**  
John FitzGerald  
Business This Week

## Commission set to reject nurses' claim for pay rise

Increases in allowances and more access to promotional posts may be suggested

Growing alarm in Department of Finance about the pace of health staff recruitment

PAT LEAHY and MARTIN WALL

Claims by nurses for a special pay increase to address recruitment difficulties in the health service are set to be rejected by the Public Sector Pay Commission when it reports to Government shortly.

The commission was asked to examine recruitment and retention issues in the health sector, with nurses' unions arguing that pay rises were needed if staff shortages and recruitment difficulties were to be tackled.

However, while the commission is expected to recommend increases in some allowances and greater access to promotional posts, it will find there is no general recruitment issue in nursing and consequently no case for an across-the-board pay increase.

Significant numbers of nurses could benefit from a parallel process under way between Government and unions to deal with lower pay rates applying to more recent entrants to the public service overall, the commission is expected to point out. A future pay review for nurses could be linked to the implementation of Sláintecare health reforms.

**Anger**

The findings are likely to provoke anger among nursing unions, who warned the Government this week it had one month to produce proposals for pay increases or face the prospect of industrial action.

The Government argued before the commission that the number of nurses in Ireland is comparatively high, and that

they are well paid by international standards. The commission has largely accepted the arguments and evidence put forward by the Department of Public Expenditure, and will cite this in the report to justify its conclusions.

**Recruitment**

Despite calls for more health staff from unions, there is growing alarm in the Department of Public Expenditure and the Department of Finance about the pace of recruitment of staff.

A recent report from the Department of Finance warned the current level of hiring in the health service - running at an average of 271 new staff every month - was unsustainable.

There is significant pressure from other public sector unions not to give nurses a special deal, because it would lead to knock-on claims elsewhere in the public service.

Instead, the non-nursing unions want pay improvements for public servants recruited after 2013, who are on lower salaries than older colleagues. All public servants are also due pay increases this year under the existing pay agreement.

The Government's stance will put it on a collision course with the Irish Nurses and Midwives Organisation whose executive council this week expressed anger at what it said was the failure to address the recruitment and retention crisis facing nursing and midwifery. The union gave the Government a one-month deadline to produce a "serious" pay offer.

Pay report unlikely to please nurses: page 2



## Show stopper Irish fashion designers unveil the latest looks for autumn

Katie Geoghegan models a hat which is a collaboration between milliner Margaret O'Connor and blacksmith James O'Toole at the Council of Irish Fashion Designers' media fashion show yesterday in Dublin. The hat forms part of the council's autumn collection. PHOTOGRAPH: SASKO LAZAROV/PHOTOCALL IRELAND

## FF warns it will raise post office closures in budget talks

PAT LEAHY Political Editor

Fianna Fáil intends to oppose a plan to close 159 small post offices in rural Ireland and warned the Government that it will raise the issue in the forthcoming budget process.

The Fine Gael-led minority Government needs Fianna Fáil support to pass the budget, which is to be announced on October 9th.

Fianna Fáil says it wants a "public service obligation" placed on An Post to maintain the post office network at its current strength, "supported through an agreed annual subvention to protect and preserve the current service".

Following the announcement by An Post of the locations for closures, Fianna Fáil communications spokesman Timmy Dooley wrote to Minis-

ter for Communications Denis Naughten, warning that there was an "appreciable number of people in communities who will experience significant disruption to their lives if the reputed closures take place".

**'Unacceptable'**

Mr Dooley said the proposed model for maintaining services in villages with populations of more than 500 people, and so that people would not be more than 15km away from a post office, was "unacceptable".

"If implemented," he said, it would "place an intolerable burden on many people including the older and more vulnerable members of rural communities that have already suffered service loss of Garda stations and smaller schools during the economic downturn".

He said the "promise of rural broadband since 2012 remains

just that, a promise. Public transport is extremely sparse and the mass closure of post offices will disproportionately affect those who don't have access to private transport."

Mr Dooley also warned that while An Post "views the post office network viability in profit and loss terms", the Government should "ensure that the post office network is extensive enough to meet the needs of citizens".

"It is the responsibility of Government to provide services to rural dwellers," Mr Dooley said.

Mr Naughten said last night those running post offices who signed up to a voluntary parting package could not change their mind and stay in business. An Post, however, was "prepared to engage with other retailers about providing some or all of their services".

### Weather

Dry in the east and north at first but outbreaks of rain in the south and west will spread northwards. Highs of 16-20 degrees.

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### Home News

**Special Criminal Court: Frederick 'Freddie' Thompson has been found guilty of the murder of David Douglas on July 1st, 2016 in Dublin: page 4**

**Health: The Government has been urged to tackle gaps in services for people with Alzheimer's and dementia: page 8**

### World News



**UK: Veteran Labour MP Frank Field has resigned the party whip in protest against its handling of anti-Semitism: page 11**

### Business This Week

**Retail: Eason is planning to sell 13 properties in the Republic in a move that it expects to generate a €60 million windfall for its 220 shareholders**

**Technology: Afilias has relocated from Dublin to Pennsylvania due to tax changes introduced by Donald Trump**

### Sports Friday

**Soccer: Manchester United will play Juventus in the Champions League group stages which could see Juve's Cristiano Ronaldo play against his former club: page 23**

**GAA: Dublin defender Jonny Cooper is looking forward to playing 'on the edge' in Sunday's All-Ireland final: page 20**

**Advanced Breast Cancer Conference 2018**  
8th September  
Royal College of Physicians of Ireland, Dublin

REGISTRATION NOW OPEN

Visit [www.abccconference.org](http://www.abccconference.org)

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