

Whistleblower pressured to ‘omit’ audit findings

A Central Bank whistleblower was pressured to “remove, omit and delete” critical findings from a draft internal audit report, the Public Accounts Committee (PAC) has heard.

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Sinn Féin’s Mary Lou McDonald informed the committee that she had been contacted by the whistleblower who has given a copy of the draft report to her.

Ms McDonald, under privilege, said the whistleblower has since left the bank for refusing to bow to such pressures and is currently taking a dismissal action.

She laid out in some detail how across many headings within the internal report, the Central Bank was either non-compliant or only partially compliant with State rules.

Ms McDonald then called on her PAC colleagues to investigate the internal report and called for Central Bank authorities to appear before committee.

The Dublin Central TD asked at the committee: “Was the whistleblower punished for refusing to bow to that pressure and has since left their post? It is the whistleblower’s view that they are being punished”.

At the meeting, the Comptroller and Auditor General Seamus McCarthy confirmed he had a discussion with Ms McDonald yesterday about this matter and clarified that some issues about compliance with State rules arose within the Central Bank in 2013.

He said that it emerged that €4m in procurement was found not to have been awarded in line with State rules and that measures were taken “to regularise” the matter subsequently.

PAC chairman John McGuinness said the committee does not have a remit over Central Bank as to its governance but said he wants to see this matter investigated.

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He clarified that the C&AG could do a “value for money” investigation into the Central Bank, but he could not investigate matters of corporate governance.

Mr McCarthy has said he will investigate issues raised by the whistleblower. Mr McCarthy said the issues went back to matters which the Comptroller and Auditor General had raised with the Central Bank.

It was agreed that the PAC would write to the Central Bank to ask for a copy of the internal audit report, including a transcript of yesterday morning’s meeting.

In response, the Central Bank said: “The Report identified some deviations from the Code which were consistent with existing Central Bank policy and some areas of control weakness which required remedial action. These issues were reported to the Bank’s Audit Committee and the majority of these remediation actions have now been completed.

“The Central Bank expects the highest standards of corporate governance in the firms it regulates and also applies those high standards to itself. We are committed to identify areas where improvements can be made that will improve the efficiency of our operations,” the statement said.

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