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Major €3.6m project – awarded to the SAME company behind the

Arts Council shambles - had to be abandoned after six months

EXCLUSIVE

By Sarah McGuinness Political Correspondent

A €3.6MILLION project awarded to one of the main companies behind the Arts Council IT fiasco was abandoned after six months, the Irish Daily Mail can reveal.

Garda ombudsman body Fiosrú, formerly GSOC, contracted the firm Codec in March 2024 to overhaul its case management system, with the software to become 'a fundamental piece of infrastructure'.

However, a Fiosrú spokeswoman has confirmed that the project was abandoned in September of the same year due to 'initial challenges', and that the body is currently 'engaged in a process with Codec regarding this contract'.

Justice Minister Jim O'Callaghan failed Turn to Page 6



Plans to allow hike in injury claims slammed

PLANS to allow a 17% hike in personal injury claims by the judiciary have been slammed by TDs and lobby groups.

Justice Minister Jim O'Callaghan is set to bring a memo to Cabinet next week to legislate for the increase - but the move has been labelled 'a capitulation to vested legal interests [that] undermines years of work to bring down insurance costs for SMEs'.

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O'Callaghan under fire

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to disclose that the project had been indefinitely suspended when asked directly in the Dáil about any complica-tions in contracts with Codec under the remit of his department earlier this year. It follows confirmation from the

Health Information and Quality Authority (Hiqa) that an €8million contract for an IT system upgrade awarded to Codec is running numerous months behind schedule.

The Mail previously revealed that Codec also oversaw two Department of Agriculture projects that ran almost €1million over budget.

A member of the Public Accounts Committee (PAC) has sounded the alarm over the revelation and has now

ealled for a full review of projects over €500,000 across all State agencies.

In March 2024, Fiosrú, which was then known as GSOC, signed a contract with Codec for the provision of a new case management system.
The system was meant 'to process

complaints and to manage resulting case investigations in an efficient and timely manner in line with

the legislation.

The IT project was highlighted in Fiosrú's 2023 annual report as being 'a fundamental piece of infrastructure' at the body as it evolved from GSOC.

But it quickly ran into difficulties, resulting in it being suspended indefinitely after six months.

'The Codec implementation was origi-

'The Codec implementation was originally estimated to run from April 2024 to June 2025; however ,after initial challenges with the project, efforts were put on hold in September 2024,' a spokeswoman for the body stated.

'Has a long track record'

The spokeswoman added: 'To date, implementation activities have not recommenced with Codec and as Fiosrú is engaged in a process with Codec regarding this contract, we are not in a position to elaborate further on specifics at this time.'

The contract for the project went out to tender at a budget of €3.6million.
The spokeswoman said that Fiosrú 'did

The spokeswoman said that Fiosrú 'did not exceed the approved budget for this contract' in its six-month lifespan.

However, pushed for further details on how much money was paid to Codec and whether any of these sums can be recouped, the spokeswoman would only say: 'As Fiosrú is engaged in a process with Codec regarding this contract, we are not in a position to provide specific details at this time.'

A spokesman for Codec said

A spokesman for Codec said that the firm 'has a long track record delivering significant projects on time and on budget for both public and private sector clients'

sector clients'.
'Codec was appointed by Fiosrú in March 2024 to build and design a new case management system,'

said the spokesman. 'In September 2024, Codec initiated a pause in activity, and has not recommenced work.

'Codec remains in close contact with Fiosrú regarding the project as part of normal working relations.' Minister O'Callaghan has now

come under fire for failing to flag the fact that the project had been abandoned when asked about the matter in a parliamentary ques-

tion earlier this year.
Social Democrats TD Aidan Farrelly asked the minister in Multiple queries: Soc Dems TD Aidan Farrelly

PQ system called into question as Murphy gets 65 complaints

FRESH concerns over the efficacy of the parliamentary question (PQ) system have been raised after the Justice Minister failed to declare an abandoned IT project from a specific contractor after the matter was queried by the Opposition. It comes after it emerged

Ceann Comhairle Verona Murphy has received 65 complaints from TDs over their PQs not being answered adequately.
PQs are formal inquiries

made by members of the **Oireachtas to Government** ministers, seeking information or clarification on

specific matters.
On March 19, Social Democrats TD Aidan Farrelly queried multiple departments on whether they had contracted the ser vices of any of the companies involved in a failed Arts Council project and whether any of these contracts had incurred cost overruns or delays.

In his response, Justice Minister Jim O'Callaghan said his department had not engaged the services of Codec. However, Mr O'Callaghan stated: 'I am informed that within my department's vote, Codec is under contract with the Garda Síochána Ombudsman Commission (GSOC) for the delivery of an enterprise case manageBy Sarah McGuinness

ment system... This contract commenced in 2024; to conclude in 2028.

This answer was provided despite the contract with Codec being suspended six months prior.

The Department of Justice has defended the minister's reply, saying that the project itself has not been fully abandoned only Codec's involvement.

A spokesman for the department said: 'Fiosrú [which replaced GSOC] has confirmed that their project team has continued to progress work on the proiect, and the steering

'It shows a level of contempt'

group for the project meets on a regular basis.

'In addition to the steering group, the project has been guided by an external peer review group.'

However, asked if a new contractor had been hired to continue working on the project, Fiosrú said that 'it is not in a position to provide specific details [about the current state of the project] at this time'.

Mr Farrelly, who sits on the Public Accounts Committee (PAC), described the failure of the minister and his department to highlight the issues regarding the case management upgrade as 'shocking'.

He said: 'That the minister refused to include this important detail shows a level of contempt for the PQ process. As an elected representative, it is our duty to ensure best practices across the Oireachtas. It is our duty to ask questions, get answers and learn from mistakes.

'We are unable to do that if the Government itself is unwilling to come forward with answers.

Last month, the Clerk of the Dáil, Peter Finnegan, wrote to the secretaries-general across the Government warning them that substantive answers must be provided to PQs, following complaints from TDs that their queries were not being responded to in full. Mr Finnegan said questions are a 'key mechanism of parliamentary account-ability' and a 'refusal to substantively reply does not fulfil that accountability requirement'.

The Ceann Comhairle also raised the matter in correspondence with Taoiseach Micheál Martin.

The issue has become a particular bugbear for Opposition TDs, with Labour's Alan Kelly urging Ms Murphy to outline instances where ministers failed to provide adequate replies to the Dáil.

March if he knew of any contracts awarded to Codec under the aegis of his department that had gone awry. Mr Farrelly has now said that it is 'shocking' that the details of the abandoned project did not emerge then.

'External peer review group'

The Kildare North TD, who sits on the PAC, also called for clarity from Fiosrú on how much money was awarded to Codec between March and September 2024. He also said that the organisa-

tion must clearly state if it intends to recoup any funds potentially awarded to Codec over the course

of the project. He said that he will ask PAC chairman John Brady to consider expanding the upcoming meeting of the Oireachtas com-mittee with delegates from An Garda Síochána to include Fiosrú

so members can query the organisation on the project.

A Department of Justice spokesman denied the entire project had been abandoned.
'Fiosrú has confirmed that their

project team has continued to progress work on the project, and the steering group for the project meets on a regular basis. In addition to the steering group, the project has been guided by an external peer review group, the spokesman said.

Codec was one of three firms that played a central role in the development of the failed IT sys-

tem at the Arts Council, which was meant to improve the processing of grant applications.

The project's budget ballooned from roughly €1.6million in 2018 to almost €6.7million last June, when the works were abandoned.

In a damning report, Codec was listed as the project's main technol-

project's main tech ogy delivery partner.

The firm was paid a total of €1,967,278, including VAT, for its work on the project -

Questions: Minister Jim McGuinness

€51,217 of which was withheld as the upgrade plunged deeper into crisis. The Mail has also learned that a separate project in Hiqa to provide a new 'integrated regu-latory system' is also running

behind schedule.
Concerns over the current regulatory IT system at the health watchdog were raised at a board level in 2022, with members describing

the existing software as 'unstable'. 'It is also not fit for purpose in terms of meeting the requirements associated with planned new

commence-ments,' accord-ing to the min-

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for failing to flag issue



By Sarah McGuinness

CODEC first came to public attention in February after revelations of a €6.7million failed IT system upgrade at the Arts Council.

Work began on the overhaul to the Arts Council's grant management system in 2018. Its initial budget was €1.6million but this ballooned to four times that size by June 2024, when the project was abandoned.

News of the failed project which resulted in a €5.3million loss for the Arts Council in 2023 - yielded huge criticism of the Government just weeks into the new Dáil term, with senior ministers promising that those responsible for the waste of public funds would be held responsible.

Attention briefly turned to the companies behind the project, although it quickly moved back to management in the Arts Council as well as civil servants. In a damning report, Codec – founded in Dublin in 1985 and currently led by chief executive Ronan Stafford - was listed as the project's main technology delivery partner.

The firm was paid a total of €1,967,278, including VAT, for its work on the project - €51,217 of which was withheld as the upgrade plunged deeper into crisis.

However, its work with the Arts Council is only one of many State projects the company has handled in recent years.

As reported by the Irish Daily Mail in March, Codec was contracted by the Department of Agriculture in 2019, and again in 2022, to overhaul its consumer helpline system - which previously relied on staff working in call centres and develop a new chatbot service. While the projects

How Codec was hit by new scandal as it reeled from the last

costing a combined €3.3million - were 'successfully delivered', both ran over budget. The first saw an overspend of roughly €600,000, while the second ran €370,000 over budget – a combined over-spend of almost €1million.

Also, the Department of Education awarded a €154,000 contract to the IT firm in August 2022 for a Microsoft administrator.

This contract was extended for a further 12 months in both 2023 and

'The work has been on budget'

2024, the department said, adding that the works have been delivered on time and on budget.

The Department of Foreign Affairs has worked with Codec since 2018 on the development of a grant management system and a contacts and events management system, and the migration of these systems to the cloud. The systems have been rolled out on a

phased basis in 2020.

The work has been on budget. Excluding Microsoft licensing, the work over this time has cost approximately €2.4million,' the department said.

Codec lists other State bodies including the HSE, the Environmental Protection Agency, the National Transport **Authority and the Mental** Health Commission as clients on its website.

The latest revelations about delays to its project with Health Information and Quality Authority (Hiqa), and the suspended contract with Fiosrú, will likely bring the company back into the public eye, with Opposition TDs demanding answers on the latter project.
Social Democrats TD and

Public Accounts Committee member Aidan Farrelly said he will write to the group's chair to inquire about bringing Fiosrú before the Oireachtas to find out how much money, if any, was paid to Codec between March and September of last year.

utes for a meeting of the Hiqa board in December 2022.

The contract to overhaul the system was awarded to Codec in January 2023 at a cost of €8,342,254.

It was due to run until December 2030. However, a spokeswoman for Hiqa said that the project is 'currently behind schedule

by a number of months'.

Meeting minutes from March
2024 note that there had been, by
that point, two significant interventions by Hiqa in relation to
their concerns with the project,
which was manifed behind by which was running behind by 14 weeks at that time.

The board agreed to engage with Codec in relation to the project. 'A revised road map would be prepared for the board setting out key deliverables and associated timelines,' the meeting minutes note.

Hiqa board members also agreed to reject 'cost variation requests' submitted by Codec relating to any retrospective costs incurred by the firm throughout the project

The authority has repeatedly noted that the contract was

'Manage financial risk'

agreed on a fixed-cost basis, meaning that the €8million value agreed cannot be exceeded

despite delays.

'The project continues to progress in line with the overall funding allocated for the project,' the

spokeswoman said.
She added: 'It is not unusual for ICT [information and communications technology] project costs to be agreed in advance of a pro-

ject commencing.

'This is to manage financial risk

in ICT projects.'
Codec has also been contracted by numerous other State agencies, including the Department of Education, the Department of Foreign Affairs, the National Transport Authority and the HSE, in recent years. Mr Farrelly has now questioned the level of communication between various statutory organisations in relation to procurement practices

and value-for-money exercises.
'Do Government departments even talk to each other? More and more projects are cropping up with the same players at the heart of them. We are asking the same

questions over and over,' the Social Democrats TD said. Mr Farrelly praised Arts and Culture Minister Patrick O'Donovan for ordering a trawl of his department and bodies under its remit with the aim of uncovering any projects worth over €500,000 which have encountered difficulty.

He said a similar exercise should

be undertaken across every department on a routine basis. 'There has to be some accountability,' Mr Farrelly added.

Meanwhile, the Arts Council is continuing to pursue the firms behind the botched upgrade to its grant management system for costs. At a meeting of the PAC

that took place in May, representatives for the arts body confirmed that it is now pursuing legal cases against two of the IT contractors involved in the project, and is in the pre-action stage

in relation to two others.

The council is optimistic that it can recoup at least €3million from the contractors and is 'vigorously' pursuing the cases to reduce the loss to the taxpayer.

The council confirmed that it has spent £60,000 so far on legal fees in relation to these cases.

Arts Council representatives,

who appeared before the Oireachtas Culture Committee earlier this month, would not comment on how much legal action against contractors was expected to cost or how long it would take.

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