

A baselining exercise of the banking model used across 48 Public Service Bodies, mainly Government Departments funded by Voted Expenditure, was conducted in 2013. Based on the scope of that exercise, it was determined that there would be limited immediate financial savings arising from the operational consolidation of the banking model into a Shared Service.

The baseline exercise suggested that any potential savings which might arise through a more consolidated approach to banking services would likely relate to reduced banking charges and/or reduced funding costs arising from better cash management and disbursement arrangements. Savings may also arise in the development of mechanisms to enable cash sweeps of accounts held by Public Service Bodies and the use of cash pooling. These mechanisms could potentially optimise the use of funding raised by the State.

The Department of Finance are now leading the Banking Project which has been expanded to look at cash balances and movements in the wider Public Service. They are working with officials in other Public Service sectors in this context and to ensure consistency in relation to Banking more generally. An initial assessment of all cash balances related to Voted Expenditure, as well as of balances held by those Agencies coming under the remit of Government Departments, suggests there isn't a substantial level of underutilised funding in bank accounts. However, there may be an opportunity for improved treasury management, particularly regarding timing and the disbursement process.

The next step for the Department of Finance is to undertake a full survey of all agencies to develop a better profile of cash movements, with a view to fully assessing the potential opportunities. Some preliminary work has also been undertaken to assess ICT solutions that might improve the information on how cash is managed and assist in any initiatives to optimise banking arrangements.