



PAC-R-729

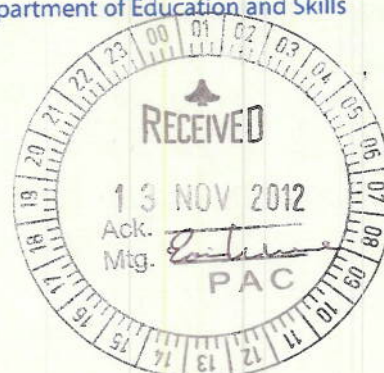
**Correspondence 3A.2
Meeting – 15/11/2012**

Oifig an Ard-Rúnaí
An Roinn Oideachais agus Scileanna



Office of the Secretary General
Department of Education and Skills

Mr Ted McEnery
Clerk
Public Accounts Committee
Dáil Éireann



13 November 2012

Dear Mr McEnery

I refer to the consideration by the Public Accounts Committee of issues in relation to Waterford Institute of Technology, including the discussions at the meeting of the Committee on 4 October 2012

A second report from Deloitte has now been completed and we understand from the HEA that it is to be discussed by the Governing Body at its meeting today. This provides an in-depth review of all non-pay expenditure by the Office of the President for the period 1 January 2009 – 31 May 2011. The previous report gave an overview of the level of expenditure since 2004, however, it does not provide an in-depth review of this expenditure.

The HEA is now writing to WIT requesting that it provides the HEA with a full response on the various issues raised in the report within a short timeframe including full details on the use of chartered flights by WIT.

Furthermore, the Minister for Education and Skills has pursuant to Section 20 of the Institutes of Technology Acts, 1992 to 2006, decided to appoint an Inspector to inquire into certain matters relating to the relationship between Waterford Institute of Technology and the group of companies providing a range of services for Waterford Institute of Technology and to report to him. WIT has been informed of this today.

There are six companies, all limited by guarantee and not having a share capital, providing a range of campus services in Waterford Institute of Technology. There are also a further two related companies. All eight companies are privately owned and we understand that they are not legally linked to WIT. Grant Thornton and Arthur Cox have been commissioned by WIT to advise on how to regularise the campus company issues.

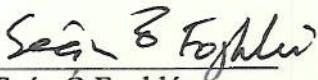
The HEA has been liaising with WIT since 2011 in an effort to regularise the relationship between the Institute and the companies. Specific issues relating to the financial position of the companies have arisen over recent months as options to regularise the situation have been considered, and the Department has been kept informed of these issues by the HEA. The C&AG has also delayed the signing off of

the Institute's 2011 financial statements pending the resolution of a number of issues. The Inspector has been appointed following discussions with the HEA and the C&AG.

The Minister has appointed Mr Dermot Quigley, former Chairman, Revenue Commissioners, to carry out the Inspection. I enclose a copy of the Inspector's terms of reference for your information.

We will keep the Committee updated on these issues.

Yours sincerely


Seán Ó Foghlú
Secretary General

Terms of Reference for Inspection, Waterford Institute of Technology

1. I, Ruairí Quinn, Minister for Education and Skills, having consulted with An tUdaras, pursuant to Section 20 of the Institutes of Technology Acts, 1992 to 2006, do hereby authorise Mr Dermot Quigley (hereinafter referred to as “the Inspector”):
 - (a) *to inquire into the following matters and their possible impact on the governance, operations and financial position of Waterford Institute of Technology (WIT):*
 - (ii) *the relationship, including the financial relationship, between the Institute and the range of companies providing campus services in WIT;*
 - (iii) *the financial position of these companies including the nature and extent of their assets and liabilities as they relate to operations in WIT;*
 - (iv) *utilisation of resources of the companies including the extent to which they were applied for the purposes of the Institute;*
 - (v) *options for addressing changes that may be considered desirable in the relationship between the Institute and the companies in line with best practice;*
 - (vi) *any and all other matters which the Inspector considers to be necessary or expedient to the carrying out of the terms of reference at paragraphs (i) to (iv) above.*
 - and*
 - (b) *to provide an interim report to me within one month and a final report as soon as possible thereafter on his/her inquiries and in that report to make such findings and recommendations as he/she considers appropriate.*
2. These Terms of Reference may be subject to such addition or amendment as I consider appropriate, having regard to any findings made by the Inspector.
3. The Inspector may be required to furnish such interim reports as I deem necessary.

Ruairí Quinn
Minister for Education and Skills
13 November 2012