



PAC-R-789

Correspondence 3A.3
Meeting 69 – 17/01/2013



AN ROINN OIDEACHAIS
AGUS SCILEANNA

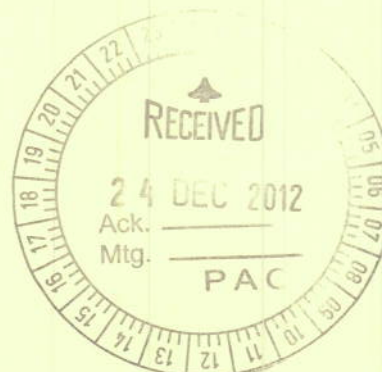
DEPARTMENT OF
EDUCATION
AND SKILLS

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

Ref No: S1210039
PLEASE QUOTE REFERENCE NUMBER ON ALL CORRESPONDENCE



21 December 2012

Dear Mr McEnery

I refer to correspondence from your Office dated the 27th November and 4th December of this year concerning issues before the Public Accounts Committee in relation to Waterford Institute of Technology (WIT).

As the Committee will be aware, there are two separate processes underway in relation to issues raised by the Comptroller and Auditor General in *Special Report 78 of February 2012: Matters Arising out of Education Audits*.

The first process relates to past expenditure incurred by the Office of the President. As I informed the Committee in my letter of the 13th November, Deloitte have completed a second, more detailed, report on expenses incurred by the office of the President in the period 2009-2011. The Governing Body of WIT has considered the report and is examining options available to it for the recoupment of any expenditure that was not for the purposes of the institute. I would hope to be in a position to provide further information, including full details in relation to expenditure on chartered flights, to the Committee as early as possible in the New Year.

The second process relates to the relationship between WIT and the group of companies providing a range of non-academic services for Waterford Institute of Technology. As outlined in my letter of 13th November, we understand that there are six companies, all limited by guarantee and not having a share capital, providing a range of campus services for Waterford Institute of Technology along with a further two related companies. All eight companies are privately owned.

As part of Special Report 78, the C&AG examined the relationship between WIT and these companies, and in particular the potential to incorporate the activities of these companies in consolidated financial statements. The Committee would have had some discussions on this during its meetings of the 27th September and 4th October in relation to its considerations of the C&AG report. The HEA has also been liaising with WIT since 2011 in an effort to regularise the relationship between the Institute

and the companies. In response, WIT commissioned Grant Thornton and Arthur Cox to advise on options available for the regularisation of the relationship. As part of this process and as options to regularise the situation were being considered, specific issues relating to the financial position of the companies have arisen.

As you are aware, the latest development in relation to this process was the appointment by the Minister on the 13th November of a statutory inspector to enquire into matters relating to the relationship between WIT and the companies referred to above. Mr Quigley has commenced his work and provided the Minister with an interim report last week. Subject to any unforeseen developments Mr Quigley hopes to conclude the inspection and submit a final report to the Minister in the first quarter of 2013. I would request that the Committee would await the outcome of the statutory inspection and the consideration of this by the Minister before it considers the issues relating to these companies further.

I would also like to reiterate that the inspection relates solely to the relationship between the Institute and the companies in question and does not relate to the academic reputation or day to day operations of WIT.

Yours sincerely



Seán Ó Foghlú
Secretary General