

**Opening Statement by Ted Owens, Chief Executive,
Cork Education and Training Board**
to the
Committee of Public Accounts
on the
Special Report of the Comptroller & Auditor General
on Internal Control in
County Cork Vocational Education Committee
9 July 2015

Chairman and Committee Members,

Cork ETB welcomes the Special Report of the Comptroller and Auditor General on Internal Control in County Cork Vocational Education Committee 2011.

Since its establishment in July 2013, Cork ETB has taken over the functions and operations of County Cork VEC, City of Cork VEC and FÁS. Cork ETB is a new organisation with responsibility for the provision of a wide range of education and training services in Cork. The new organisation is responsible for all assets and liabilities of County Cork VEC.

The report highlights a number of serious control weaknesses and breaches in procedure in County Cork VEC's operations.

Significant control weaknesses were identified in relation to student enrolment practices and payments to students and staff in Youthreach Macroom.

Procedures were not followed when lease agreements were entered into. The statutory obligation to seek prior Ministerial approval for these leases was not fulfilled.

The report also refers to high legal costs and settlements between 2010 and 2013 and weaknesses which led to a Revenue audit and a significant tax settlement.

The C&AG found that Departmental guidelines were not followed in the allocation of "Co-Operation" hours to the St. Joseph's Foundation and the costs

incurred in connection with the Omar B sail training programme were also criticised.

As Chief Executive of Cork ETB, I am committed to ensuring that this new organisation delivers education and training in the Cork region in a compliant, efficient and competent manner.

Cork ETB believes that it is important to acknowledge that mistakes were made, rules were not adhered to and proper procedures were not followed in County Cork VEC. Lessons have been learned and action has been taken on the issues highlighted in the report. For example:

- Cork ETB has implemented new procedures for all Youthreach centres.
- Cork ETB has regularised the position in relation to the leases.
- Cork ETB has a new Service Level Agreement in place for the allocation and utilisation of Co-operation hours.
- Cork ETB was one of the first ETBs to undertake a tendering process for legal services.
- Cork ETB understands that it must be fully compliant with all tax regulations and stricter controls have been put in place to ensure that all tax regulations are complied with.

In the past two years, Cork ETB has thoroughly reviewed each one of these issues and has put systems in place to ensure the efficient, effective and compliant use of public funds. Cork ETB takes responsibility for addressing these failings and continues to strive to ensure that they do not happen in the new organisation.

As Chief Executive, I assure you of my sincere commitment and that of my Board members, to maintaining the highest standards of performance and corporate governance in Cork ETB in the future.