



12th July 2023

Ms. Sarah Cremin,
Committee Secretariat,
Committee of Public Accounts,
Leinster House,
Dublin 2,
D02 XR20.

Ref: S1334 PAC33

Dear Ms. Cremin,

I refer to your letter of 3RD July 2023.

In 2021 Cork Education and Training Board provided education, training and part-time courses for 25,000 participants and beneficiaries. This included 12,664 students in primary and post-primary across 30 locations, and over 12,269 beneficiaries on Further Education, training and part-time courses in over 100 locations. Cork ETB had expenditure of €232.3m in 2021, including payroll costs of €144.9m to pay 3,951 employees and €35.8m of Capital Projects.

Cork Education and Training Board (CETB) is working continuously to ensure compliance with all aspects of circulars, codes of governance and legislation. CETB Procurement Policy and Procedures are in operation throughout the organisation which have been developed in conjunction with ETBI. Training was provided to all management and budget holders involved in procurement processes.

Much of the non-compliant expenditure relates to instances where goods and services are procured locally, across more than 100 CETB locations, in line with CETB Procurement Policy and Procedures. In each case, the required number of quotations were sought for each purchase and a purchase order was issued. The difficulty arises where the aggregate expenditure across all CETB sites exceeds the national/EU tendering threshold, and, at the time of purchase, CETB had not tendered on an organisation-wide basis for these goods and services. Aggregation, where the cumulative value of expenditure exceeds the threshold, is compounded by the number of schools and centres in a larger ETB. Cork ETB operates a decentralised purchasing system where schools and centres raise their own purchase orders and submit invoices for payment to head office.

A CETB Annual Corporate Procurement Plan sets out a schedule to continue to conduct appropriate tendering processes for areas of organisation-wide expenditure, where necessary, and for other identified future procurement needs. This Procurement Plan is reviewed annually to address areas of identified non-compliance. The implementation of this plan has resulted in the conducting of appropriate tender processes in many areas and putting frameworks and contracts in place. The annual plan must be adapted to provide for unplanned procurement requirements where business priorities arise. Cork ETB continues to monitor and review all areas of expenditure to identify

opportunities where tendering and the utilisation of existing National Frameworks for goods and services, will provide best value for money and meet compliance requirements.

The ETBI/EPS Corporate Procurement Plan (CPP) template and Multi-Annual Procurement Plan (MAPP) was launched in April 2019. Since then, Cork ETB has been working on the completion of its MAPP and further analyses of expenditure in order to identify areas for drawdown from OGP and ETB Sectoral Frameworks, where available, or to conduct appropriate tendering processes where a framework is not already in place.

In 2023, clarification has been received whereby the application of Article 5.2 (Recital 20) of the EU Procurement Directive 2014/24/EU can be applied to schools/centres which will disaggregate expenditure, equally the increase in expenditure threshold levels further reduces aggregation risk.

Details of the €4,395,540 non-compliant procurement referred to in your letter are set out in Appendix 1.

Yours sincerely,



Denis Leamy,
Chief Executive.



Appendix 1

Non-compliant expenditure information note, figures exclude VAT:

	€	ETB Notes
Exam Papers and Corrections	€116,495	This has been tendered for during 2022 and is now compliant.
Cleaning Services	€128,905	Consultation with Industry has taken place to identify a potential solution to this service provision. The challenge is the limited cleaning hours (2-3 hours) in schools and large number of centres across the wide geographic area. This is part of the 2023 procurement work plan.
Art Supplies	€48,758	Expenditure in this area arose due to aggregation across schools and centres for school materials. The service has been tendered in Q2 2023 and will, thereafter, be compliant.
Wood Supplies	€78,749	Expert advice is being sought to deal with the purchase of timber, which is a commodity, suppliers will not hold prices.
Marine Supplies	€28,648	Expenditure aggregation arose from purchases by OECs and FE college. Future expenditure is not expected to breach threshold value.
Beauty Materials	€80,441	A tender process for the provision of Beauty products is planned as part of the 2023 procurement work plan.
Engineering Materials	€170,788	A framework has been put in place during 2022 for Engineering equipment as per DE listings which encompasses the planned material requirements.
Furniture	€301,850	Additional furniture requirements arose as a result of unplanned additional accommodation. A framework will be in place for 2023.
Print Services	€100,713	An Independently commissioned audit of devices and quantity of colour and b/w copies took place during 2022 for

		all CETB locations. The next step in the process is communication with Principals/Managers to reduce the number of devices per site before going to tender during 2023.
Printing of diaries and Journals etc.	€128,600.17	Expenditure in this area arose due to aggregation across schools and centres for school materials. A tender specification is in development and planned for publication as part of the 2023 procurement work plan.
Construction work	€222,430	Each construction job was individually tendered and is compliant. Aggregation arises when categorised jobs are combined.
Catering Services	€28,309	Expenditure aggregation arose from purchases by two creches. Future expenditure is not expected to breach threshold value.

Expenditure of €2.18m in construction costs for the delivery of a special school in Carrigaline, Co. Cork. Cork ETB was advised of the urgent requirement for a special school to be operational by September by Department of Education communication of 21st May 2021. The school was in use by the Carrigaline Gaelscoil until June 2021, that school's future activity transferred to the new Carrigaline three-school campus which opened in September 2021. Due to the urgency of the requirement and available timeframe, Cork ETB, with Department of Education approval, utilised the five-quotation process to secure a building contractor to undertake the significant building work required for a change of use from a primary school to a special school use within the available time frame.

ICT Total Spend €779,994

	€	ETB Notes
ICT Hardware	€220,089.71	This figure is made up of five suppliers. Items were acquired during the pandemic in the absence of national frameworks and local RFQs were used for items over CETB procurement thresholds. CETB will avail of available frameworks or put arrangements in place to reduce such occurrences.
ICT Software	€20,490.55	Additional licenses were acquired to facilitate remote and paperless working.
IT Maintenance and Support	€225,727	This figure is spread across five companies. Local RFQs would have been run for aspects of this. We have put in place an ICT support contract under the OGP Framework in 2022 and we are transitioning expenditure across and we will monitor any remaining expenditure.

Device Consumables	€74,823.99	Expenditure is for managed print services. Local RFQs were run for sites. The Procurement section are actively engaged in running an overall competition under the OGP Framework with the audit completed and being analysed to inform the tender specification.
ICT Telecoms	€238,832.83	This is made up of two suppliers for fixed and mobile services. Our existing contracts under national frameworks have expired. HEANet are putting a framework in place for telecoms in Q1 2023 and we will be availing of this. We also plan to tender for mobile services under the OGP Framework in 2023. In 2023, CETB has commenced the transition from fixed line office telephone to online calling which will further reduce expenditure in this category.



28th September 2023

Ms. Sarah Cremin,
Committee Secretariat,
Committee of Public Accounts,
Leinster House,
Dublin 2.

Ref: S1334 PAC33

Dear Ms. Cremin,

This correspondence is an update to my letter of 18th July 2023, where the total number of students and beneficiaries in the Introductory paragraph were incorrectly totalled and understated, please accept this correction.

In 2021 Cork Education and Training Board provided education, training and part-time courses for 34,983 participants and beneficiaries. This included 13,250 students in primary and post-primary across 31 locations, and over 21,733 beneficiaries on Further Education, training and part-time courses in over 100 locations. Cork ETB had expenditure of €232.3m in 2021, including payroll costs of €144.9m to pay 3,951 employees and €35.8m of Capital Projects.

Cork Education and Training Board (CETB) is working continuously to ensure compliance with all aspects of circulars, codes of governance and legislation. CETB Procurement Policy and Procedures are in operation throughout the organisation which has been developed in conjunction with ETBI. Training was provided to all management and budget holders involved in procurement processes.

Much of the non-compliant expenditure relates to instances where goods and services are procured locally, across more than 100 CETB locations, in line with CETB Procurement Policy and Procedures. In each case, the required number of quotations were sought for each purchase and a purchase order was issued. The difficulty arises where the aggregate expenditure across all CETB sites exceeds the national/EU tendering threshold, and, at the time of purchase, CETB had not tendered on an organisation-wide basis for these goods and services. Aggregation where the cumulative value of expenditure exceeds the threshold is compounded by the number of schools and centres in a larger ETB. Cork ETB operates a decentralised purchasing system where schools and centres raise their own Purchase Orders and submit invoices for payment to head office.

A CETB Annual Corporate Procurement Plan sets out a schedule to continue to conduct appropriate tendering processes for areas of organisation-wide expenditure, where necessary, and for other identified future procurement needs. This Procurement Plan is reviewed annually to address areas of identified non-compliance. The implementation of this plan has resulted in the conducting of appropriate tender processes in many areas and putting frameworks and contracts in place. The annual Plan must be adapted to provide for unplanned procurement requirements where business priorities arise. Cork ETB continue to monitor and review all areas of expenditure to identify opportunities where tendering and the utilisation of existing National Frameworks for goods and services, will provide best value for money and meet compliance requirements.



cetb

Bord Oideachais agus
Oiliúna Chorcaí
*Cork Education and
Training Board*

The ETBI/EPS Corporate Procurement Plan (CPP) template and Multi-Annual Procurement Plan (MAPP) was launched in April 2019. Since then, Cork ETB has been working on the completion of its MAPP and further analyses of expenditure in order to identify areas for drawdown from OGP and ETB Sectoral Frameworks, where available, or to conduct appropriate tendering processes where a framework is not already in place.

In 2023 clarification has been received whereby the application of Article 5.2 (Recital 20) of the EU Procurement Directive 2014/24/EU can be applied to schools/schools/centres which will disaggregate expenditure, equally the increase in expenditure threshold levels further reduce aggregation risk.

Details of the €4,395,540 non-compliant procurement referred to in your letter are set out in Appendix 1.

Yours sincerely,

Denis Leamy,
Chief Executive.

Appendix 1

Non compliant expenditure information note, figures exclude VAT:

	€	ETB Notes
Exam Papers and Corrections	€116,495	This has been tendered for during 2022 and is now compliant.
Cleaning Services	€128,905	Consultation with Industry has taken place to identify a potential solution to this service provision. The challenge is the limited cleaning hours (2-3 hrs) in schools and large number of centres across the wide geographic area. This is part of the 2023 procurement work plan.
Art Supplies	€48,758	Expenditure in this area arose due to aggregation across schools and centres for school materials. The service has been tendered in Q2 2023 and will thereafter be compliant.
Wood Supplies	€78,749	Expert advice is being sought to deal with the purchase of timber which is a commodity, suppliers will not hold prices.
Marine Supplies	€28,648	Expenditure aggregation arose from purchases by OECs and FE college. Future expenditure is not expected to breach threshold value.
Beauty Materials	€80,441	A tender process for the provision of Beauty products is planned as part of the 2023 procurement work plan.
Engineering Materials	€170,788	A framework has been put in place during 2022 for Engineering equipment as per DE listings which encompasses the planned material requirement.
Furniture	€301,850	Additional furniture requirements arose as a result of unplanned additional accommodation. A framework will be in place for 2023.
Print Service's	€100,713	Independently commissioned audit of devices and quantity of colour and b/w copies taken during 2022 for all

R2159 (iii) PAC33

		CETB site locations. Next step in process is communication with Principals/Managers to reduce number of devices per site before going to tender during 2023
Printing of diary's and Journals etc.	€128,600.17	Expenditure in this area arose due to aggregation across schools and centres for school materials. A tender specification is in development and planned for publication as part of the 2023 procurement work plan.
Construction work	€222,430	Each construction job was individually tendered and is compliant. Aggregation arises when categorised jobs are combined.
Catering Services	€28,309	Expenditure aggregation arose from purchases by 2 creches. Future expenditure is not expected to breach threshold value.

Expenditure of €2.18m in construction costs for the delivery of a Special school in Carrigaline, Co Cork. Cork ETB were advised of the urgent requirement for a Special School to be operational by September by Department Communication 21/5/2021. The school was in use by the Carrigaline Gaelscoil until June 2021, that schools' future activity transferred to the new Carrigaline 3 school campus which opened in September 2021. Due to the urgency of the requirement and available time frame Cork ETB with Department approval utilised the 5-quotation process to secure a Building contractor to undertake the significant building work required for a change of use from a primary school to a Special School use within the available time frame.

ICT Total Spend €779,994

	€	ETB Notes
ICT Hardware	€220,089.71	This figure is made up of 5 suppliers. Items were acquired during the pandemic in the absence of national frameworks and local RFQ's were used for items over CETB procurement thresholds. CETB will avail of available frameworks or put arrangements in place to reduce such occurrences.
ICT Software	€20,490.55	Additional licenses were acquired to facilitate remote and paperless working.
IT Maintenance and Support	€225,727	This figure is spread across 5 companies. Local RFQ's would have been run for aspects of this. We have put in place an ICT support contract under the OGP Framework in 2022 and we are transitioning expenditure across and we will monitor any remaining expenditure.

Device Consumables	€74,823.99	Expenditure is for managed print services. Local RFQ's were run for sites. The Procurement section are actively engaged in running an overall competition under the OGP Framework with the Audit completed and being analysed to inform the tender specification.
ICT telecoms	€238,832.83	This is made up of 2 suppliers for fixed and mobile services. Our existing contracts under national frameworks have expired. HEAnet are putting a framework in place for telecoms in Q1 2023 and we will be availing of this. We also plan to tender for mobile services under the OGP Framework in 2023. In 2023 CETB has commenced the transition from fixed line office telephone to online calling which will further reduce expenditure in this category.