

Office of the President

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11th October 2012

PAC-R-686

Mr. Ted McEnery,
Clerk,
Committee of Public Accounts,
Leinster House,
Kildare Street,
Dublin, 2.

**Correspondence 3A.1
Meeting – 25/10/2012**



Dear Mr. McEnery,

Thank you for taking my call earlier in the week.

In relation to queries regarding flights discussed at the Public Accounts Committee's hearings on the 27th September and the 4th October, I would like to take this opportunity to apologise for not having forwarded information to you and the Committee members which we were requested to make available to the Department of Education and Skills, Higher Education Authority and the Comptroller and Auditor General on foot of a request from the C&AG. These are now attached.

We had been advised to send a note to your office correcting a statement made on the 27th September, which we did by email to the pac@oireachtas.ie account as this is the email address that we have previously received correspondence from. We did not realise that information requested from other parties who were to attend the Committee should also be forwarded to the Secretariat.

In relation to this information, we received a request from the C&AG on the 1st October which was subsequently followed up. Following a review of documentation, additional relevant documents only became available late on Wednesday 3rd of October.

I would greatly appreciate if you could advise of any further information that you and the Committee members require from WIT relating to these flights, as we are currently reviewing all matters associated with them.

I would also appreciate if you could advise on any other matters that you feel your members may wish to review at our next meeting with the Committee.

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I have taken the opportunity to review the transcript of the hearing on the 27th September and would appreciate if the following amendments could be made

Page 33, in relation to Deputy O'Donnell's question, *"In regard to WIT, Professor Byrne was a member of the board of the subsidiary company, DTS. (should read DCS). Did he receive a salary and expenses from the company?"* The answer to this question should show "No" instead of "Yes".

Page 33, Please amend my next comment to read "...based on capitation fees, concession fees and student numbers."

Page 42, second-last paragraph, insert the words "late January " "instead of early February".

Page 52, centre of page, include the letter "s" at the end of "... Deloitte report" to make it plural.

I want to thank you again for your guidance and I look forward to hearing from you in due course.

Yours sincerely,

Dr. Ruaidhrí Neavyn
President

Briefing Note to Comptroller & Auditor General

Regarding your request for further information on a chartered flight paid for by the Institute the following provides a summary.

During the course of the Institute's meeting with the Public Accounts Committee on Thursday, 27th September, the Institute response relied upon the information included in the Deloitte report. This report stated, based on clarification by the former President, that this transaction related to the "charter of a plane to transport a visitor from Waterford to Dublin". This view has been further reinforced by the statement of the former chairman on the 28th September, 2012, in which he confirmed the plane was chartered to fly Dr. Jim Port from Waterford to Dublin and stated "that he was comfortable authorizing and indeed organizing it at the time."

Based upon your query we have further investigated the matter. The following has come to light

- a) An invoice for the sum of €4,200 was approved for payment by both the former President and the former Chairman
- b) The invoice refers to a "Flight on the 29th June 2007" which is at odds with the timing of the trip made by Dr. Port in March, 2007
- c) The narrative on the invoice states that it related to the "Hire of aircraft and pilot for return flight from Filton England to Dublin including all landing and handling charges at Filton airport and Dublin airport".
- d) When the invoice was presented for payment, the Institute's Finance Office queried this transaction in relation to origin, cost and detail. The President's office confirmed that it was in order to pay

Based on the information to hand it would appear that the invoice did not relate to a trip from Waterford to Dublin, but a different trip. The Institute is currently investigating this matter further and has been in contact with representatives of the airline involved and is awaiting their response.

The invoice for the Waterford to Dublin flight in March, 2007, amounted to €769.56.

Until further information can be obtained in relation to both invoices, only the former President and former Chairman can clarify the matter.

COPY



**Bell
Airways Ltd**

Part of the Bolster Group of Companies

INVOICE

Flight on the 29th of June 2007

Hire of aircraft and pilot for return flight from Filton England to Dublin including all landing and handling charges at Filton airport and Dublin airport.

For the sum of

€4200.00

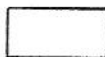
P. R. O. W. E. R. S.

[Signature]

Heathfield House, Newtown, Bannore, Co. Waterford
Tel: 051 381 322 Fax: 051 390 263
Booking No.: 087 2608668
Booking Email: edel@bellairways.com
Website: www.bellairways.com
Directors: W. Bolster, M. Bolster
VAT No.: IE 9076259K Registered No.: 435373

WATERFORD INSTITUTE OF TECHNOLOGY
EURO CHEQUE REQUISITION FORM

CHEQUE INFORMATION



PAYEE:

Name:	Fewer Harrington Lawlor & Partners
Address:	Studio 14, The Atrium, Maritana Gate, Canada Street,
	Waterford

AMOUNT:

€	€769.56
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Kate posted 24.5.07

EXPENDITURE ANALYSIS

Description: Flight to Dublin - 20/03/07

NO.	DESCRIPTION	SUB ACCOUNT (DEPT. CODE)	ACCOUNT	AMOUNT	
1.	As per attached	D001	6012	€769	56
2.					
3.					
4.					
TOTAL EURO AMOUNT			€	€769	56

REQUIRED BY: Mary Hartley DATE: 15 / 05 / 2007

BUDGET OFFICER/ *Agene*
APPROVED BY: X

DATE: 15 / 5 / 07

FINANCE OFFICE USE

CHEQUE NO: _____

JOURNAL NO: _____

PREPARED BY: _____

DATE: ____ / ____ / ____

APPROVED BY: _____

DATE: ____ / ____ / ____

FINANCE MANAGER.



Stage Payment Advice

WIT
FAO: Kieren Byrne
Cork Road
Waterford

Number: 2681
Date: 11/05/2007
Your Ref: Kieren Byrne
Job No: NF

Re: Trip to Dublin- Ref: Nicholas Fewer

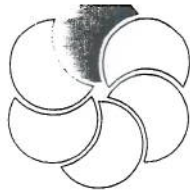
To:	Net Amount	Equivalent	
		VAT Rate	VAT Amount
Payment due:	€ 636.00	21.00	€ 133.5

Terms: 30 Days From Date of Invoice

Note: THIS IS NOT A V.A.T. INVOICE

A V.A.T. Invoice will be issued on Receipt of payment

Net Advice Amount	€ 636.00
VAT Equivalent Amount	€ 133.56
Gross Advice Amount	€ 769.56



Bell Airways Ltd

Part of the Bolster Group of Companies

17 APR 2007

INVOICE NO: 198

PRIVATE & CONFIDENTIAL

Fewer Harrington Lawlor
Suite 13
The Atrium
Maritana Gate
Canada Street
Waterford

31st March 2007

Re: Flight Waterford / Dublin
Booking Reference No: 218 *Kieren Byrne*

Date	Details	Time
20/03/07	Waterford/Dublin Return	1.2 hrs

Cost 1.2 hrs @ €230.00 per hour	€276.00
Landing & Handling	€360.00
Airway Charge (VFR Flight)	<u>€000.00</u>
	€636.00
VAT @ 21%	<u>€133.56</u>
	€769.56

Total Now Due €769.56



WIT
FAO: Kieren Byrne
Cork Road
Waterford

RECEIVED
31 MAY 2007
W.I.T.
Director's Office

Number: 2681
Date: 29/05/2007
Your Ref: Kieren Byrne
Job No: NF

Re: Trip to Dublin- Ref: Nicholas Fewer

To:	Net Amount	VAT Rate	VAT
Payment due:	€ 636.00	21.00	€ 133.56

Payment Received with thanks 29/05/2007

Total Net Amount	€ 636.00
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Total VAT Amount	€ 133.56
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VAT Reg No: IE 9540529N

Invoice Total	€ 769.56
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Embargo: For Immediate Release.

Former WIT chairman responds to Committee of Public Accounts hearing on expenditure

Redmond O'Donoghue, who served in a voluntary and non-executive role as chairman of the governing body at Waterford Institute of Technology (WIT), has today (Fri, Sept 28) responded to concerns raised by members of the Committee of Public Accounts in respect of expenditure by the President's Office at the Institute.

Mr O'Donoghue who chaired WIT from early 2003 to 2011 said: "During those eight years, I served with some outstanding people on the governing body and I feel I owe it to them to inform this controversy.

"Never once in that period was concern about expenditure brought to my attention or that of the governing body by as much as a raised eyebrow – not by the finance function, by internal audit, by the audit committee or by the external auditor who is the Comptroller & Auditor-General. No criticism of spending by the President or the President's Office was ever voiced to me or brought up at governing body meetings, whether formally or informally. During my time as chairman, I estimate that I had 400-500 interactions with the Institute which made me very accessible to anyone who might have had a legitimate concern.

"Each year of my tenure saw the Institute's books balanced and no deficits accrued, despite some swingeing cuts in exchequer funding in certain years. In one year, this required cost savings of €5m – an extraordinarily high proportion of the available budget. This was an enormous challenge but at no time was it suggested that the President's Office might provide scope for cost-cutting, something that seems extraordinary if it was believed that there were opportunities in this area. Similarly, in no year was any issue flagged by the internal auditors or by the Comptroller & Auditor-General," he continued.

"From this, I can only conclude that this was either a non issue or a suppressed issue as it only surfaced retrospectively when media attention arose from a Freedom of Information request in early 2011. This coincided with the process to reappoint or replace the outgoing President after his initial 10-year term.

"If – as has been claimed – concerns around spending by the President's Office were raised with members of the governing body, I would ask who they were and why they did not in turn bring forward these concerns at a governing body meeting or raise them privately with me as chairman.

"It is more in sorrow than in anger that I am now entering the public domain with these clarifications as I feel the reputation of Waterford Institute of Technology has sustained very significant damage. WIT continues to be an outstanding higher education institution that stands ready for university designation and I am fully supportive of the drive to deliver a world-class technological university in the southeast as provided for in the Programme for Government and by Dr Colin Hunt's report for the previous Government."

Mr O'Donoghue is an experienced business leader and was previously CEO of Waterford Wedgwood plc and Waterford Crystal, a former non-executive director of Greencore plc and current chair of Fáilte Ireland. He said that during his tenure as chairman, over €100m was invested in the educational infrastructure at WIT which was twice named *Sunday Times* Institute of Technology of the Year and the subject of positive appraisals by three separate international evaluators. There was also a major expansion in the Institute's research, development and innovation activity as it increasingly moved in to the fourth level.

Dealing with a specific issue raised at the Committee of Public Accounts concerning the chartering of a plane to fly UK-based higher education consultant Dr Jim Port from Waterford to Dublin, Mr O'Donoghue said that while the expenditure may seem excessive in today's economic climate, he was comfortable authorising and indeed organising it at the time. This was in the context of Dr Port's extraordinarily brief stay in Ireland – a visit that WIT had sought unsuccessfully to have extended to a longer period - and given the aim to have him meet as many relevant stakeholders as possible.

“Dr Port was commissioned by the then Government to conduct an independent evaluation of WIT's case for university designation. During a short time window, he met all of the key southeast stakeholders in a series of meetings in Waterford. These ranged from local public representatives to business leaders and from students of the Institute to trade union officials. He also met members of Governing Body; the Academic Council of the Institute; the Students' Union and staff representatives. This gave him an insight to the compelling arguments and wide appetite to see a university provided in a region of almost half a million people and to correct the deficit that left Waterford the only gateway city without a university.

“To ensure he also got a national perspective, we felt it was important that he visit Dublin and meet some key people there. In the pre-M9 motorway period, the only way that this was possible in Dr Port's tight schedule was if he flew to Dublin. I supported this decision fully at the time and stand over it today. I would do almost anything to advance WIT's argument for university designation. While in Dublin, Dr Port met two Government Ministers as well as other national politicians and key opinion leaders who were and are supportive of university designation. Ultimately, Dr Port delivered a ringing endorsement of university designation for Waterford Institute of Technology in his report to Government.”

Ends – September 28, 2012.

Media contact: Brian Nolan, Bance Nolan Ltd, (086) 8191730;

Broadcast media please note that Mr O'Donoghue is currently unavailable for interview.