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| MINUTES OF PROCEEDINGS AT A SPECIAL MEETING OF THE |
| CORK EDUCATION AND TRAINING BOARD |
| CORK TRAINING CENTRE, ROSSA AVENUE |
| 6TH MAY 2015 |

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| ATTENDANCE |
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| <i>Cllr. Des O'Grady</i> | <i>Mr. Sean O'Sullivan</i> |
| <i>Cllr. Mary Hegarty</i> | <i>Cllr. Chris O'Leary</i> |
| <i>Cllr. Michael Hegarty</i> | <i>Mr. Paudie Palmer</i> |
| <i>Cllr. Patrick Gerard Murphy</i> | <i>Ms. Maura Fitzgibbon</i> |
| <i>Cllr. Margaret Murphy-O'Mahony</i> | <i>Ms. Una O'Donnell</i> |
| <i>Cllr. Tim Brosnan</i> | <i>Mr. Declan O'Leary</i> |
| <i>Cllr. Mary Shields</i> | |

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| EXECUTIVE & ADMINISTRATIVE STAFF |
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| <i>Mr. Ted Owens, CE</i> | <i>Ms. Clare Creedon (Minute Taker)</i> |
| <i>Mr. Martin Hallahan, PO</i> | |

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| APOLOGIES |
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Apologies for inability to attend the meeting were received from Board Members, Cllr. Claire Cullinane, Cllr. Pdraig O'Sullivan, Ms. Biddy McDonagh, Rev. Dr. Tom Deenihan.

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| COMPTROLLER & AUDITOR GENERAL SPECIAL REPORT |
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The Chairman welcomed members to the meeting and noted that there are two items on the agenda for today's special meeting. The CE introduced Liz Donnelly, APO ESS, to the Board and advised that Liz worked on the preparation of the response to the C&AG. He welcomed Eoin English from the Irish Examiner and Renate Murphy from Cameo Communications, CETB's PR Company. He stated that as CE of CETB, he welcomes the publication of the Special Report by the C&AG. This report was submitted by the C&AG to the Minister for Education & Skills on 13th February and presented to the Houses of the Oireachtas on 29th April. It will be the subject of a Public Accounts Committee hearing in the coming months, following which, the PAC, will, most likely, make recommendations in the form of a report to the Minister for Public Expenditure & Reform. The CE noted that because this statutory process must be allowed to proceed, he is somewhat constrained in elaborating at this stage, as the PAC must make their own findings.

The CE stated that the main findings of the report relate to a number of issues but a significant portion of the report deals with Youthreach Macroom and the operation of same. This issue came to the fore in June 2010 and the CEO of the time asked the VSSU to

undertake an audit of the centre. There were control weaknesses relating to the eligibility of students and payments to staff. A follow up examination of procedures in 2011/2012 showed Youthreach's to be generally compliant. New guidelines issued in April 2015 and these are being applied in CETB and will be strictly adhered to. Currently, one of CETB's AEO's has responsibility for overseeing Youthreach.

Another issue referred to in the report relates to property leases. DES approval is required in advance for all property leases. The C&AG found that some leases were entered into without formal approval. Leases that were highlighted were Mallow Youthreach and lands at Schull. CETB has exercised a buy-out option and CETB now owns the property at Mallow Youthreach. The lease arrangement in Schull related to lands that were adjoining the College and that has now been terminated. Retrospective sanction for leases has been sought and obtained.

The CE referred to the issues of legal costs and settlements and noted that Co. Cork VEC had a budget in excess of € 100 million. The legal costs were examined and the costs paid included arrears of salaries, employment cases, redundancy payments and property transactions. The CE noted that Cork ETB has been one of the first ETB's to tender for legal services in 2014.

In relation to the issue of the Omar B, the CE informed members that this was a boat that was donated to the VEC and was used for Youthreach trainees in a sail training programme. The boat is not seaworthy at present and is currently in dry dock. The CE advised that he is in on-going discussions with the donor of the boat and after 2015 he does not envisage that there will be any further storage costs incurred.

With regards to St. Joseph's Foundation, Charleville, the CE advised that this is a voluntary organisation which provides education and support services. The DES provides CETB with Co-Operation hours which the VEC allocated some of those hours to St. Josephs under an agreement that was put in place many years ago. This agreement however was in breach of DES guidelines. A Service Level Agreement is now in place, which provides for on-going monitoring.

Another issue raised in the report relates to a Revenue Audit. Tax compliance issues came to light in 2012. This led to an internal review between 2010 and 2012. A final settlement

was made in 2013. New procedures are now in place to ensure full compliance. The Chairman thanked the CE and opened the floor to queries from members.

Cllr. Chris O’Leary thanked the CE for the outline he gave. He stated that the report highlights legacy issues within Co. Cork VEC and he is concerned the effect these will have on CETB going forward. Cllr. O’Leary referred to Youthreach Macroom and referred to the vilification of members who raised concerns. He noted that members should be able to raise concerns that they have and sought assurances in the future that members would not be vilified or ridiculed. Cllr. O’Leary asked the CE if the early retirement of the Co-Ordinator in YR Macroom was sanctioned by the DES. The CE stated that Item 2 on the Agenda for today’s meeting is the adoption of the Protected Disclosure’s Policy. He noted that it was regrettable that the Chair of the Audit Committee of the former VEC felt the need to resign and subsequently was voted off the Audit Committee by the Committee proper. Style can on occasions influence people more than substance. He stated that CETB has an open door policy and any member who has a concern should raise them either at a meeting or privately with the CE. In relation to the retirement of the Co-Ordinator, the CE responded by stating that formal approval from the DES was not required. The error that was made was that CCVEC accepted a letter from the individuals GP which did not state clearly that the infirmity was permanent.

Cllr. O’Leary referred to Youthreach Mallow and stated that as the crèche is now closed and was funded by a POBAL grant, will CETB need to repay this. The CE stated that he intends to have the crèche re-opened as a community crèche and discussions are on-going with the County Childcare Committee. Cllr. O’Leary referred to the lands at Schull and stated that there is a wider issue here of declaration of interests for members that needs to be considered. There may be fundamental issues. The CE stated that the arrangement in Schull was regarded by CCVEC and locally as a great opportunity for the students, the school and the community. CCVEC originally campaigned to have a school built in one of the most isolated areas in Cork. The school exceeded all expectations and the people of Schull had a vision to develop sailing. A benefactor who had settled in the area bought the land adjacent to the school. The World Sailing Championships were held in Schull as she allowed the school to use the field. She decided that scholarships should be given to the students, as a sum of € 20,000, in scholarships of € 5,000 per student. Both the former Acting CEO and the current CE both had discussions with the benefactor and she was

willing to reduce the lease sum to € 5,000 per annum. She would not benefit from this arrangement in any way. The lease has now been terminated.

Cllr. O'Leary referred to the Revenue settlement and asked the CE if the monies would be taken from the CETB budget. The CE confirmed that the sum was paid by CCVEC in 2013 and there is no liability attaching to CETB.

Cllr. Tim Brosnan stated that he was surprised that the report does not allow for accountability and the report is casting a shadow over the entire former VEC rather than on specific individuals. He stated that he sympathised with the former Chair of the Audit Committee but believes that he should not have resigned his position, as Chairman and should have stood his ground.

Cllr. Des O'Grady thanked the CE for the information provided but stated that the report was a cause of concern. He stated that a lot of the recommendations appear to already be in place and will be fully complied with. However, he stated that he believes there was a lack of oversight with regards to the Youthreach centres. He asked the CE what the reporting procedure at the time would have been. The CE stated that the centre Co-Ordinator would have reported to the EO and the EO would refer to the CEO at the time. He noted that currently, CETB has an AEO overseeing Youthreach centres.

Cllr. O'Grady referred to the Internal Auditors report of 2010 and stated that while a copy was provided to the CEO, the Chairman of the Audit Committee didn't receive a copy until June 2011. He asked the CE for clarification regarding this as he found it quite surprising. The CE responded by stating that usually a report would go to the Chairperson of the Audit Committee, however, the special report was requested by the then CEO and the report was incomplete as the Internal Auditor had not had the opportunity to speak with the Youthreach Co-Ordinator. This led to the delay in the report being issued.

In relation to the leases, Cllr. O'Grady queried as to whether any monies was spent on upgrades or refurbishments prior to sanction being sought. The CE responded by providing the back ground to the lease in Mallow. He advised that there is no capital funding available for Youthreach Buildings but there is the possibility of renting a building. At the time, CCVEC members were very grateful that with the help provided by Mallow credit union, an appropriate building could be sought. The credit union had no strategic interest in

the premises. VEC's were in a position to rent a building but did not have the power to borrow monies. The credit union was prepared to buy the building in 1996 and rent it to the VEC at a fair and reasonable cost. The VEC received money from the DES to pay the rent, however, no formal approval was sought for the lease. Some years later the roof of the building was in need of repair and the credit union was in a position to help. The VEC informed the DES that they needed more funding to pay for the extra rent, which was granted but the VEC did not follow procedure and seek approval for a change in the terms of the lease. Cllr. O'Grady stated that it appeared that CCVEC paid for the repairs to the roof through the increase in the rent.

Cllr. Michael Hegarty stated that having read the report the most important thing to note is that the proper checks are now in place and CETB is compliant with best practice. The report refers to historical matters and new procedures are now in place. As a former CCVEC member he noted that it did some great work and he is saddened to the degree that the VEC is being criticised. He did note that it is regrettable that some of the issues arose. He noted that CETB can learn from this going forward and the ultimate aim is to provide the best service that we can and make sure every aspect is covered and monitored to the best of the Board's ability.

Mr. Declan O'Leary sought clarification regarding the Revenue settlement and whether it has been discharged or not. The CE confirmed that the settlement was discharged in 2013, by CCVEC prior to the amalgamation. Mr. O'Leary asked if there are any outstanding monies owed to Revenue or other parties and the CE stated that there was not. Mr. O'Leary referred to St. Joseph's Foundation, Charleville, stating that he found it a very positive step that there is now a SLA in place. He also stated that having an AEO overseeing Youthreach's was another positive step and these are tangible examples that improvements are being made.

Mr. O'Leary asked if the legal fees were paid to the one firm. The CE confirmed that three separate legal firms were used. Mr. O'Leary stated that he believed the report to be of template form and there does not appear to be enough documented in terms of accountability. He stated that CETB should not make an apology to any former member of CCVEC. CETB is a new entity and most of its members had no involvement with the former VEC. An apology would not carry any substance.

Mr. Paudie Palmer stated that as an employee of CCVEC since 1997 he wished to note the incredible work it undertook to provide an educational system across the county. There are in no doubt huge amounts of children that without the VEC would not have had access to an education. He accepts the report but believes people should be mindful of the contribution CCVEC made to education. He referred to the Revenue and the issue regarding referee payments and noted that perhaps CETB should speak to the Munster post-primary body in relation to this matter. The CE stated that he wanted to be associated with Mr. Palmer's comments about the former VEC.

The Chairman noted that it was important for members to understand that the report dealt with legacy issues and that everything was done with the best of intentions.

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| POLICY FOR THE MAKING OF PROTECTED DISCLOSURES BY CETB WORKERS |
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The Board, on the proposition of Cllr. Michael Hegarty, seconded by Ms. Una O'Donnell, approved the Policy for the making of protected disclosures by CETB workers.

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The Board agreed that a panel consisting of members would be set up to consider any applications received for external members of the Audit & Finance Committees. The following were agreed to sit on the panel:

- Cllr. Patrick Gerard Murphy
- Cllr. Chris O'Leary
- Cllr. Tim Brosnan
- Cllr. Mary Shields

THIS CONCLUDED THE BUSINESS OF THE MEETING

SIGNED: _____
Chairman

DATE: _____