

Energy



Netherleigh
Massey Avenue
Belfast BT4 2JP
Tel: 028 90529 215
Fax: 028 90529 543
Email: john.mills@detini.gov.uk

Dr Theresa Donaldson
Chief Executive
Craigavon Borough Council
Civic Centre
Lakeview Road
Craigavon
Co Armagh
BT64 1AL

23 April 2014

Dear Dr Donaldson

**INTERREG IIIA PROGRAMME IRELAND/NORTHERN IRELAND 2000-2006
PROJECT REF 014344: RENEWABLE POWERED VISTOR CENTRES**

I have recently taken over as Head of Energy Division. I understand that you have had correspondence with my predecessor (Fiona Hepper) regarding the clawback of ineligible funding for the Wood Derived Biomass Heating project.

While resolution of the biomass project remains of utmost importance I am writing to you on this occasion on another matter, the Interreg IIIA Renewable Powered Visitor Centres project.

As advised to your predecessor Michael Docherty, DETI's Internal Audit Service identified an underpayment of €2,653.06 in relation to the Renewable Powered Visitor Centre project. Further examination identified an overpayment of €10,302 made by DETI to Craigavon Borough Council in early claims, due to the use of an incorrect exchange rate. DETI had advised CBC of this overpayment and that additional invoices could be provided to allow this overpayment as eligible expenditure. No invoices were provided and these financial irregularities (totalling €7,648.94) were to be netted off the biomass project clawback.

In order to simplify matters, DETI proposed in a letter dated 29 November 2010 to Brona Slevin that the issues should be separated and repayment by the Council should, in the first instance, focus on the ineligible monies arising from the Wood Derived Biomass Heating project.

I understand that you are currently working with your insurers to seek a resolution. I would be grateful for an update as this has taken considerably longer than anticipated. Meanwhile repayment of €7,648.94 is still due to the Department in respect of the Renewable Powered Visitor Centres project and there is an outstanding action on the Department to recoup this money.

I must therefore now ask that the Council makes arrangements for repayment of €7,648.94 to DETI.

Yours sincerely



JOHN MILLS
Energy Division

cc: Alison Clydesdale
Davina McCay