

From: [McCay, Davina](#)
To: [Mills, John \(DETI\)](#)
Cc: [Clydesdale, Alison](#)
Subject: Craigavon Borough Council Interreg IIIA project, Renewable Powered Visitors Centre - request for clawback of overpayment.
Date: 03 March 2014 11:15:03
Attachments: [Letter to CBC re Renewable Powered Visitors Centre.tr5](#)

John

Further to Alison's email of the 18th February, there is an outstanding Internal Audit Service recommendation for Energy Division in respect of clawback of an overpayment to Craigavon Borough Council for an Interreg IIIA project, Renewable Powered Visitor Centres.

By way of background, in 2004 Craigavon Borough Council (CBC) successfully applied for Interreg IIIA funding for two projects: Renewable Powered Visitor Centres; and Wood Derived Biomass Heating for All. Administrative errors in processing early claims resulted in an overpayment of €7,648.94 in respect of the Visitors Centre project.

The Department advised CBC that additional invoices could be provided up to this amount to allow this overpayment to be included as eligible expenditure as it was still within the agreed project budget. However despite several requests no further invoices were provided.

A further request was made in 2010 by including this overpayment in the pursuit of clawback of grant money for the Biomass project (due to suspected fraud). However legal advisors recommended that the issues should be separated. It was proposed that efforts should focus in the first instance on the ineligible funding under the biomass project.

CBC are trying to recoup monies owing through their insurance company. It was anticipated that this would have been completed by now however it is a slow process and is still ongoing. While initially we were content to leave repayment of the visitors centre overpayment until the biomass project was resolved, there remains an outstanding IAS recommendation for Energy Division to recoup this money.

I have spoken to colleagues in Accountability and Casework to determine how this should be done. Colleagues have advised that we would need to write to the Council in the first instance to make an attempt to recoup the monies owing. **I therefore attach a letter to issue to Teresa Donaldson, Chief Executive of CBC by the end of next week outlining our position and request for repayment.** Dr Donaldson is very familiar with the Biomass case but not be as familiar with the visitors centre project. The last correspondence with the Council regarding the visitors centre project was in November 2010, prior to Dr Donaldson's appointment. This letter issued to Brona Slevin, Director of Corporate Services at the Council, who was acting Chief Executive at the time. Brona has continued to be a main point of contact for the Department in attempts to resolve the Biomass project.

If you need anything further, please let me know.

Regards

Davina

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