

## **TOWN OF BRAY VOCATIONAL EDUCATION COMMITTEE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL**

*This report has been prepared pursuant to Section 7(4) of the Comptroller and Auditor General (Amendment) Act, 1993.*

### **Overpayments to VTOS Participants**

The Vocational Training Opportunities Scheme (VTOS) operated by Vocational Education Committees (VECs) gives unemployed people who are on the live register access to vocational education and training opportunities. The objective of the scheme is to enhance the employability of the participants.

VTOS participants who have been in receipt of unemployment benefit receive a weekly training allowance from VECs equivalent to that entitlement. If, while participating on a scheme, circumstances change or a benefit period expires the weekly entitlement is reassessed by the Department of Social Welfare and the revised rate notified to the VEC.

Under the relevant rules operating in 1995 when the benefit period expired the Department of Social Welfare instructed the VEC to cease payment of the training allowances until such time as the participants' entitlement to assistance, which is means tested, was determined.

Prior to the commencement of the 1995 audit, the Chief Executive Officer (CEO) informed me that certain irregularities had come to light and in the case of certain VTOS participants the VEC had discovered that there had been a failure to halt the payment of weekly training allowances when notified to do so by the Department of Social Welfare.

In the course of the audit I sought further information on the overpayments and irregularities and in regard to the action taken by the Committee.

### *VEC's Response*

The CEO stated that in 1995, following the discovery of a misappropriation of goods valued at £409, the resignation of an official of the VEC, employed to administer the VTOS programme, was sought and obtained and the £409 was repaid to the VEC. Shortly afterwards the VEC discovered the continued payment of VTOS training allowances to two participants whose benefit period had expired. A comprehensive investigation followed and overpayments to a number of VTOS participants, totalling £17,366 were identified. The participants were written to and refunds sought. In reply the respondents invariably stated that they thought that they were entitled to retain unemployment benefit payments while on the VTOS programme and were totally unaware that they were receiving overpayments. Only £285 was refunded to the VEC.

No evidence of collusion was found between the participants who had received the overpayments and the VTOS administrator.

One of the VTOS participants replied stating that she had not received the cheques listed as overpayments. It subsequently emerged that these cheques totalling £529, had been cashed by someone other than the participant concerned. When the matter was taken up with the Committee's bankers, they agreed to refund the value of the cheques to the VEC. The investigation failed to identify the person who actually cashed the cheques.

Since the discovery of the overpayments new procedures have been put in place to ensure that correct allowances are paid to VTOS participants.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a long horizontal stroke ending in a small upward flick.

**JOHN PURCELL**  
**COMPTROLLER AND AUDITOR GENERAL**

**16 MAY 1997**