

## Statement on behalf of the Directors of the Irish Canoe Union Ltd

To: all Affiliated Clubs and Discipline Committees

Date: 31 March 2011

1. Since the last AGM the Honorary Treasurer undertook a review of corporate governance and audit procedures having being authorised to do so by the Board of the Irish Canoe Union and in the course of this review he engaged in detailed discussion about current and past practice in relation to such matters with the Chief Executive.
2. The Honorary Treasurer informed the President and Honorary Secretary (both company directors of Irish Canoe Union Ltd) about matters of concern to him.
3. The Directors took legal advice on the information received from the Treasurer and were advised to set up an independent investigation and to suspend with pay and without prejudice the Chief Executive with immediate effect.
4. An Independent Investigation was undertaken into the matters of concern and the Chief Executive along with his legal advisor co-operated fully with the investigation.

The issues under investigation are that Michael Scanlon Chief Executive created and predated a document purporting to be a contract of employment for himself in November 2006. He confirmed that he predated the contract document to the 1<sup>st</sup> January 2005 and that both he and Brendan O'Connell (a former president until May 2005) had signed it. Included in the document created was a new salary arrangement implemented from the 1<sup>st</sup> January 2006 that aligned his salary to a public Sector pay scale. This had the effect of increasing his annual salary from around €56,000 to €65,000. In addition, other benefits including two pensions schemes one 100% funded by the ICU and another 98.65% funded by the ICU and VHI at Plan E was also fully funded by the ICU.

Michael Scanlon confirmed that he did this without the knowledge or consent of the President, the Executive Committee or the Board of the ICU.

5. The outcome of the Investigation, containing seven finding of fact was made known to the Board of the ICU and to the Chief Executive.
6. The Board unanimously agreed to continue the without prejudice and paid suspension of the Chief Executive pending the outcome of the meeting between a Sub-committee of the Board and the Chief Executive.
7. The Chief Executive declined to attend a meeting of the Boards Sub-committee and has instead sought an injunction before the High Court against the Irish Canoe Union Ltd.
8. In the above circumstances the ICU are defendants in the above mentioned high court proceedings and as defendants have no choice but appear in Court and defend the decisions and actions of the board to date.
9. Our ongoing legal advice is that, other than what is stated above and is currently a matter of public record, we cannot discuss or disclose any additional information relation to this issue until such time as the process established by the Board and or the High Court action initiated by the Chief Executive is complete.
10. You will be advised as soon as possible when an outcome has been established.

Signed By : The President

Signed By: Honorary Secretary