



Comhairle Contae **Lú**  
**Louth** County Council

# **Public Spending Code**

## **Quality Assurance Report for 2021**

**To be submitted to the National Oversight and  
Audit Commission in compliance with the Public  
Spending Code**

## Certification

This annual Quality Assurance Report sets out Louth County Council's approach to completing the Quality Assurance requirements as set out in the Public Spending Code. It is based on the best financial, organisational and performance related information available across the various areas of responsibility.

**Signature of Accounting Officer:**



Joan Martin

Chief Executive Officer, Louth County Council

21<sup>st</sup> June 2022

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# SECTION 1

## Section 1

### Introduction

Louth County Council has completed this Quality Assurance (QA) report as part of the compliance with the Public Spending Code<sup>1</sup> (PSC). The purpose of this report is to present the results of each of the five steps in the QA exercise and to report on compliance with the requirements of the Public Spending Code. The Public Spending Code sets out the value for money requirements for the evaluation, planning and management of public investment projects in Ireland.

This report fulfils the fifth requirement of the QA process for Louth County Council for 2021 and has been compiled following the National Oversight and Auditing Commission (NOAC) guidelines and templates.

2021 is the eight year that the Local Government Sector has been required to meet the QA requirements within the Public Spending Code, as required by the Department of Public Expenditure and Reform (DPER).

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<sup>1</sup> Public Spending Code, DPER <https://www.gov.ie/en/publication/public-spending-code/>

## Requirements of the Quality Assurance Aspect of the Public Spending Code

The five steps of the Quality Assurance Process include:

1. **Inventory Compilation** - drawing up inventories of all projects/programmes greater than €0.5m at different stages of the project life cycle. The inventories for the reference year cover:
  - Expenditure being considered
  - Expenditure being incurred
  - Expenditure that has been completed or discontinued

The project life cycle refers to the series of steps and activities which are necessary to take the proposal from concept to completion and evaluation. Projects vary in size and complexity but all projects can be mapped to the following 6-stage project life cycle structure:

- (i) Strategic Assessment
- (ii) Preliminary Business Case
- (iii) Final Business Case (including design, procurement strategy and tendering)
- (iv) Implementation
- (v) Review
- (vi) Ex-Post Evaluation

2. **Procurements in Excess of €10million** - publish summary information on the local authority website of all procurements in excess of €10m, whether new, in progress or completed for the year under review. A new project may become a “project-in-progress” if the procurement process is completed and a contract signed.
3. **Compilation of Checklists** – seven checklists to be completed as contained in the PSC. Only one of each checklist per department/agency/local authority is required. The QA process for verifying the accuracy of responses on the checklist is based on a sample of projects / programmes and is Step 4 (in-depth analysis) of the process.

4. **In-depth Analysis** - carry out a more in-depth check on a small number of selected projects/programmes.
5. **Compilation of Report for NOAC** - complete a short report for the National Oversight and Audit Commission (NOAC). The report, which will be generated as a matter of course through compliance with the previous four steps, should be submitted by the end of May in respect of the previous calendar year.

## Expenditure Analysis

This section details the inventory compiled by Louth County Council in accordance with the current guidance on the Quality Assurance process for the reference year of 2021.

### Inventory Compilation – Step 1

The inventory lists identify Louth County Council’s projects and programmes at various stages of the project life cycle which amount to more than €0.5 million. This inventory is divided between capital and current (revenue) projects across three stages as outlined in the table below.

*Table 1 Expenditure Type and Category*

No.	Expend Type	Category / Band
1.	Expenditure Being Considered	Capital Projects between €0.5m - €5m
		Capital Projects between €5m - €20m
		Capital Projects over €20m
		Current Expenditure – new or increases over €0.5m
2.	Expenditure Being Incurred	Capital Projects greater than €0.5m
		Current Expenditure greater than €0.5m
3.	Expenditure Recently Ended	Capital Projects greater than €0.5m
		Current Expenditure greater than €0.5m

The project inventory lists as set out in the format described above are included in **Appendices A to C** for projects and programmes with a value over €0.5m for 2021.

For consistency and accuracy, the inventories were informed by the Annual Budget 2021 to 2023 (adopted 09<sup>th</sup> Nov 2021), which were prepared as part of the statutory requirements of the Local Government Act, 2001 (as amended); and the Annual Financial Statements 2021 which was noted by members of Louth County Council at their meeting of 07<sup>th</sup> April 2022, and was prepared under Section 136 (2) of the Local Government Act, 2001, as inserted by Section 51 of the Local Government (Reform) Act, 2014.

The inventory lists contain both capital and revenue projects over the three stages and comprise a total value of c. €728 million. The following tables provide an overview of the number of projects under each project/programme stage and under each of the categories/bands in each of these stages. It also provides an overview of the project costs under each category.

Table 2 Number of Projects and Range of Expenditure

Expend Type	Revenue Expenditure			Capital Expenditure			TOTAL
	€0.5m - €5m	€5m - €20m	>€20m	€0.5m - €5m	€5m - €20m	>€20m	
<b>Expenditure Being Considered</b>	0	0	0	66	21	4	<b>91</b>
<b>Expenditure Being Incurred</b>	32	8	0	9	0	1	<b>50</b>
<b>Expenditure Recently Ended</b>	0	0	0	2	1	0	<b>3</b>
<b>TOTAL</b>	<b>32</b>	<b>8</b>	<b>0</b>	<b>77</b>	<b>22</b>	<b>5</b>	<b>144</b>

Table 3 Value of Projects and Range of Expenditure

Expend Type	Revenue Expenditure			Capital Expenditure			TOTAL
	€0.5m - €5m	€5m - €20m	>€20m	€0.5m - €5m	€5m - €20m	>€20m	
<b>Expenditure Being Considered</b>	€ -	€ -	€ -	€ 111,185,952.00	€ 200,640,645.00	€ 224,210,000.00	€ <b>536,036,597.00</b>
<b>Expenditure Being Incurred</b>	€ 48,693,463.00	€ 81,880,427.00	€ -	€ 19,552,036.00	€ -	€ 32,277,623.00	€ <b>182,403,549.00</b>
<b>Expenditure Recently Ended</b>	€ -	€ -	€ -	€ 1,957,690.00	€ 8,053,340.00	€ -	€ <b>10,011,030.00</b>
<b>TOTAL</b>	€ <b>48,693,463.00</b>	€ <b>81,880,427.00</b>	€ -	€ <b>132,695,678.00</b>	€ <b>208,693,985.00</b>	€ <b>256,487,623.00</b>	€ <b>728,451,176.00</b>

## Procurements in Excess of €10million – Step 2

Step 2 of the Quality Assurance process requires the publication on the website of summary information of all procurements in excess of €10m, whether new, in progress or completed for the year under review.

Louth County Council has no procurement projects ongoing or being procured with a procurement value of €10m or more during the 2021 financial year. While the tables above show expenditure >€10m, there has been no single procurement exceeding €10m, meaning that there is no requirement to publish details of procurements in excess of €10m on the website for the financial year under review.

[https://www.louthcoco.ie/en/publications/finance\\_reports/public-spending-code/](https://www.louthcoco.ie/en/publications/finance_reports/public-spending-code/)

## Compilation of Checklists – Step 3

Step 3 of the Quality Assurance process for the Public Spending Code involves the compilation of a number of checklists. There are 7 checklists in total covering different aspects as outlined below:

- **Checklist 1:** General Obligations Not Specific to Individual Projects/Programmes
- **Checklist 2:** Capital Expenditure Being Considered
- **Checklist 3:** Current Expenditure Being Considered
- **Checklist 4:** Incurring Capital Expenditure
- **Checklist 5:** Incurring Current Expenditure
- **Checklist 6:** Capital Expenditure recently completed / discontinued
- **Checklist 7:** Current Expenditure recently completed / discontinued

A 3-point scoring system is used to indicate compliance with each criterion in the QA checklist as outlined in the table below.

Table 4 QA Checklists Scoring System

Score	Score Meaning
1	Scope for significant improvements
2	Compliant but with some improvement necessary
3	Broadly compliant

This evaluation of the checklists highlights areas where action is required. All checklists have been completed and can be found in **Section 2, Appendix 1, pages 25-34** of this report.

#### Findings from Checklist Assessment

The completed checklists show the extent to which Louth County Council deems itself compliant with the Public Spending Code. Overall, the checklists show a satisfactory level of compliance. While there are indications that there is some room for improvement in certain aspects of the requirements, no specific serious non-compliances or concerns were evident during the completion of this element of the Quality Assurance process.

#### **In-Depth Analysis – Step 4**

Crowleys DFK were the appointed outsourced internal auditors to Louth County Council, tasked with step 4 of the Quality Assurance process of the Public Spending Code. Step 4 of the process involves carrying out a more in-depth check on a small number of selected projects. The audit period is for the 12-month calendar year from 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021. Full details of the in-depth analysis can be found in **Section 2** of this report.

The tables below summarise the samples selected for in-depth analysis

*Table 5 Samples Selected for Internal Audit – Capital Expenditure*

<b>Capital Expenditure Selected for Review</b>		
<b>Project</b>	<b>Category</b>	<b>Project Expenditure</b>
<b>Regen Works Cox's Demesne 2B</b>	Expenditure being incurred	€ 6m
<b>CFRAM Louth Flood Relief</b>	Expenditure being considered	€ 83m
<b>St. Dominick Bridge</b>	Expenditure being considered	€ 1.64m
<b>CAF 50 Turnkey Units at Gort Bui Ballymakenny Road</b>	Expenditure completed	€ 14.25m
<b>Total Value of Selected Capital Expenditure</b>		<b>€104.89m</b>

Table 6 Samples Selected for Internal Audit – Revenue Expenditure

<b>Revenue Expenditure Selected for Review</b>		
<b>Project</b>	<b>Category</b>	<b>Total Amount Incurred</b>
<b>E11 - Operation of Fire Service</b>	Expenditure being incurred	€8.88m
<b>Total Value of Selected Revenue Expenditure</b>		<b>€8.88m</b>

The value of projects selected for in-depth review each year should be at least 5% of the total value of all capital projects on the project inventory lists, and 1% of the total value of all revenue projects on the project inventory lists - with this minimum value being calculated as an average over a three-year period.

The tables below summarise the samples selected for in-depth analysis based on inventory lists furnished by Louth County Council over the three-year average (2019-2021) period.

Table 7 Capital Expenditure Percentage Selection 2019 to 2021

<b>Year</b>	<b>Sample Size</b>	<b>Population</b>	<b>% of Selection</b>
2019	€5.41m	€38.55m	14%
2020	€36.05m	€617.51m	6%
2021	€104.89m	€696.72m	15%
<b>Total % Average Over 3 Years:</b>			<b>12%</b>

Table 8 Revenue Expenditure Percentage Selection 2019 to 2021

<b>Year</b>	<b>Sample Size</b>	<b>Population</b>	<b>% of Selection</b>
2019	€1.28m	€97.82m	1%
2020	€24.86m	€171.09m	15%
2021	€8.88m	€130.57m	7%
<b>Total % Average Over 3 Years:</b>			<b>8%</b>

The main findings for improvement are ranked as high, medium or low and are dealt with in order of priority. The rankings used are described in Table 9 below.

Table 9 Internal Audit Classification

Classification	Description
High	Major Internal Control weakness or issue that has potential for: <ul style="list-style-type: none"> <li>• Significant damage to the organisation’s reputation; and/or</li> <li>• Significant financial loss or loss of value for money; and/or</li> <li>• Significant operational disruption; and/or</li> <li>• Non-compliances with legislative and regulatory requirements; and/or</li> <li>• Significant inefficiency costing senior management time</li> </ul> Remedial action must be taken urgently.
Medium	Internal Control weakness or issue that has potential for: <ul style="list-style-type: none"> <li>• Adverse impact to reputation; and/or</li> <li>• Financial loss or loss of value for money; and/or</li> <li>• Operational disruption; and/or</li> <li>• Inefficiency costing senior management time</li> </ul> Weakness identified should be of concern to senior management and requires prompt specific action.
Low	Minor control deficiency where Internal Control improvements or the strengthening of the areas risk management/ control culture is required. These mainly relate to matters such as systems enhancement, procedural

A formal report on the in-depth review has been completed by Crowleys DFK and has been submitted to the Management Team at Louth Council and is included in **Section 2** of this report. The auditors review identified three non-compliances, classified as follows:

- 0 High
- 2 Medium
- 1 Low

Overall, internal audit has found satisfactory compliance with the Public Spending Code with minor gaps identified for improvement. Two medium and one low priority rated findings were identified during the independent in-depth review, indicating that reasonable assurance can be placed on the sufficiency and operation of internal procurement controls to mitigate and/or manage key inherent risks.

Specific recommendations made and agreed with Senior Management Team include:

- **Compliance with Public Spending Code Guidelines (Medium)**
  - Project inventory to be reviewed and confirmed with the respective project owners
  - Retention of Business Case on file to track project KPIs and to provide an audit trail
  - Key Performance Indicators to be established during planning to appropriately assess the achievement of the project objectives
  - Post Project Reviews – to be completed and submitted to the approving department in a timely fashion
  
- **Compliance with Procurement Procedures (Medium)**
  - Conflict of interests' declaration to be completed before participants can be considered for the evaluation panel and before they are given access to tender documentation
  - Signing and dating – all contracts entered into by LCC should be appropriately signed and dated; evaluation documents and other relevant documents involved in the procurement process should be appropriately signed and dated
  - Negotiation procedure without prior publication and non-competitive procurement to be elaborated on
  - Availability of documents for audits
  
- **Policies and Procedures (Low)**
  - Procurement Policies and Procedures to be reviewed and updated to capture the minor gaps identified and training to be rolled out

### **Compilation of Report for NOAC – Step 5**

Step 5 the Quality Assurance process involves the completion of a short report for the National Oversight and Audit Commission (NOAC). The report should be submitted by the end of May in respect of the previous calendar year. The contents of this report meet the requirements of step 5 of the QA process in terms of the compilation of the report. The final step is the issuing of this report to NOAC for publication, once approved by the Senior Management Team.

## Conclusion

This report sets out all the requirements of the Quality Assurance (QA) aspect of the Public Spending Code for Louth County Council.

- A Project Inventory has been prepared outlining the various projects/programmes from both capital and revenue expenditure, that were being considered, incurred or recently completed by Louth County Council within the 2021 financial year
- Louth County Council do not have any ongoing procurement projects with a value of €10m and so there is no need for publication on the website
- The required checklists have been completed and provide assurance that there is satisfactory compliance with the Public Spending Code
- An in-depth review of the sample projects contained in the inventory lists has been completed. The review identified zero “High” priority rated findings.

The review identified **2 Medium** and **1 Low** rated findings in the following areas:

- Compliance with Public Spending Code Guidelines - **Medium**
- Compliance with Procurement Procedures - **Medium**
- Policies and Procedures - **Low**

In this three-year cycle (2019-2022), an average of 12% of capital expenditure has been subjected to in-depth analysis and an average of 8% of revenue expenditure has been subjected to in-depth analysis, which is significantly greater than the 5% and 1% required.

The findings identified in this report will be highlighted to the teams involved and to the organisation as a whole to bring further focus and awareness to the Public Spending Code and the areas for improvement. Management will continue to drive compliance with the Public Spending Code so that the relevant directorates fully comprehend the requirements of the Public Spending Code. The need for training has been identified and this is an area that requires attention from Louth County Council. However, it must also be noted that there is a lack of appropriate training programs available in the Public Spending Code and this agenda will need to be driven by Local Authorities in general.

In summary, with the exception of minor gaps identified, internal audit noted appropriate compliance with the provisions of the Public Spending Code. While there are no serious areas of non-compliance, Louth County Council will continue to implement actions to strengthen and improve the systems and processes in place.

## Appendix A

### Appendix A: Inventory Lists - Expenditure Being Considered

Expenditure being Considered - Greater than €0.5m (Capital and Current)							
Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant )	Capital Expenditure Amount in Reference Year (Grant )	Project/Programme Anticipated Timeline	Projected Lifetime Expenditure	Explanatory Notes
<b>HOUSING</b>							
Boice Court Phase II - 72 Units	Approved Social Housing Projects	€ -	€ 6,900,000.00	€ -	2023	€ 19,625,000.00	
Acquisitions (2020 - 2021 Programme) -15 units 2020/ 5 units 2021	Approved Social Housing Projects	€ -	€ 1,960,400.00	€ -	2021	€ 6,482,125.00	
CPO - Buy and Renew- 10 units/ Compensations on 42 Units	Approved Social Housing Projects	€ -	€ 6,449,559.00	€ -	2023	€ 11,698,677.00	
Part V Units Acquisitions - 10 Units	Approved Social Housing Projects	€ -	€ 642,333.00	€ -	2023	€ 2,450,500.00	
Rathmullen Infill, Drogheda - 4 Units	Approved Social Housing Projects	€ -	€ 150,000.00	€ -	2022	€ 1,000,000.00	
Doire Beag, Collon - 6 Units	Approved Social Housing Projects	€ -	€ 100,000.00	€ -	2023	€ 1,500,000.00	
Muirhevnamore Infill, Dundalk - 18 Units	Approved Social Housing Projects	€ -	€ 1,350,000.00	€ -	2022	€ 3,715,000.00	
Riverside Crescent, Dundalk - 14 Units	Approved Social Housing Projects	€ -	€ 250,000.00	€ -	2023	€ 3,500,000.00	
Mount Avenue, Dundalk - 93 Units	Approved Social Housing Projects	€ -	€ 9,500,000.00	€ -	2023	€ 22,227,000.00	
Beechmount Infill, Dundalk - 32 Units	Approved Social Housing Projects	€ -	€ 300,000.00	€ -	2023	€ 8,300,000.00	
Willowbrook, Dromiskin - 6 Units	Approved Social Housing Projects	€ -	€ 150,000.00	€ -	2023	€ 1,500,000.00	
O'Reillys Yard, Drogheda - 50 units	Approved Social Housing Projects	€ -	€ 1,000,000.00	€ -	2024	€ 15,000,000.00	
Point Road, Dundalk - 60 unit	Approved Social Housing Projects	€ -	€ 1,000,000.00	€ -	2023	€ 15,000,000.00	
<b>OTHER SOCIAL HOUSING CAPITAL PROJECTS</b>							
Saltown Dundalk-7 units	Other Social Housing Capital Projects	€ -	€ 1,444,810.00	€ -	2021	€ 1,444,810.00	
Liscurrie Drogheda -12 units	Other Social Housing Capital Projects	€ -	€ 2,526,600.00	€ -	2021	€ 2,526,600.00	
Tierney Street -7 units	Other Social Housing Capital Projects	€ -	€ 778,609.00	€ -	2021	€ 778,609.00	
Coulter Park Dundalk- 7 Units	Other Social Housing Capital Projects	€ -	€ 1,423,571.00	€ -	2021	€ 1,423,571.00	
Four Winds, Mullacapple, Collon- 1 units	Other Social Housing Capital Projects	€ -	€ 523,892.00	€ -	2021	€ 523,892.00	
10-16 Thee Alleyways Stage 1-14 units	Other Social Housing Capital Projects	€ -	€ 755,000.00	€ -	2023	€ 2,265,000.00	
St John Home, Peter Hill- 4 UNITS	Other Social Housing Capital Projects	€ -	€ 584,600.00	€ -	2021	€ 584,600.00	
Womens Aid, Newry Road Dundalk 12 Units	Other Social Housing Capital Projects	€ -	€ 1,066,666.00	€ -	2023	€ 3,200,000.00	
Barrack St Dundalk- 21 units	Other Social Housing Capital Projects	€ -	€ 2,613,038.00	€ -	2022	€ 4,113,038.00	
AHB The Loakers, Blackrock - 16 Units	Other Social Housing Capital Projects	€ -	€ 300,000.00	€ -	2021	€ 897,170.00	
AHB Mount Hamilton, Dundalk 43 Units	Other Social Housing Capital Projects	€ -	€ 1,988,270.00	€ -	2021	€ 1,988,270.00	

Expenditure being Considered - Greater than €0.5m (Capital and Current)							
Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant )	Capital Expenditure Amount in Reference Year (Grant )	Project/Programme Anticipated Timeline	Projected Lifetime Expenditure	Explanatory Notes
AHB Connolly's Field, Hill Street, Dundalk - 20 Unit	Other Social Housing Capital Projects	€ -	€ 750,000.00	€ -	2022	€ 1,500,000.00	
AHB Mary Street, Drogheda - 20 Units	Other Social Housing Capital Projects	€ -	€ 750,000.00	€ -	2022	€ 1,500,000.00	
AHB Rathmullen Road, Drogheda - 54 Units	Other Social Housing Capital Projects	€ -	€ 2,000,000.00	€ -	2023	€ 3,435,000.00	
AHB Avourwen Meadows, Drogheda - 50 Unit	Other Social Housing Capital Projects	€ -	€ 1,500,000.00	€ -	2022	€ 3,300,000.00	
AHB Coulter Place, Armagh Road, Dundalk - 24 Unit	Other Social Housing Capital Projects	€ -	€ 1,600,000.00	€ -	2022	€ 1,800,000.00	
AHB Dublin Road, Dundalk - 43 Units	Other Social Housing Capital Projects	€ -	€ 1,000,000.00	€ -	2023	€ 3,225,000.00	
AHB John Street, Ardee - 26 Units	Other Social Housing Capital Projects	€ -	€ 750,000.00	€ -	2022	€ 1,950,000.00	
AHB Donore Road, Drogheda - 20 Units	Other Social Housing Capital Projects	€ -	€ -	€ -	2023	€ 1,500,000.00	
AHB Flaxmill Lane, Drogheda - 8 Units	Other Social Housing Capital Projects	€ -	€ 400,000.00	€ -	2022	€ 600,000.00	
AHB 47 North Road, Drogheda -12 Units	Other Social Housing Capital Projects	€ -	€ 450,000.00	€ -	2021	€ 900,000.00	
AHB Racecourse Meadows, Dundalk Phases 1 to 4 -58 Unit	Other Social Housing Capital Projects	€ -	€ 1,550,054.00	€ -	2022	€ 3,412,497.00	
AHB-The Kitchen Garden, Demesne Road, Dundalk-133 unit	Other Social Housing Capital Projects	€ -	€ 4,745,000.00	€ -	2023	€ 11,115,260.00	
AHB-Hallidays Mill, Quay St, Dundalk@85 units	Other Social Housing Capital Projects	€ -	€ 6,272,700.00	€ -	2021	€ 6,272,700.00	
AHB-Clonmore, Ardee- 55 unit	Other Social Housing Capital Projects	€ -	€ 2,668,604.00	€ -	2021	€ 2,668,604.00	
Newtown View, Marsh Road, Drogheda-133 unit	Other Social Housing Capital Projects	€ -	€ 950,000.00	€ -	2022	€ 8,682,058.00	
Tullybrook, Slane Road, Drogheda@85 units	Other Social Housing Capital Projects	€ -	€ 1,621,492.00	€ -	2022	€ 5,895,783.00	
Dublin Road, Dundalk Respond - 65 unit	Other Social Housing Capital Projects	€ -	€ 5,062,268.00	€ -	2022	€ 10,019,318.00	
Cathedral View, Dundalk, Co Louth@67 units	Other Social Housing Capital Projects	€ -	€ 1,925,625.00	€ -	2022	€ 4,669,125.00	
Oriel Heights, Collon- 13 unit	Other Social Housing Capital Projects	€ -	€ 750,000.00	€ -	2021	€ 750,000.00	
Harbour View, Coulter Place, Dundalk@12 units	Other Social Housing Capital Projects	€ -	€ 810,000.00	€ -	2022	€ 1,620,000.00	
Donore Road 66 Units	Other Social Housing Capital Projects	€ -	€ 1,818,039.00	€ -	2021	€ 5,282,517.00	
Newfoundwell Road Drogheda- 96 units	Other Social Housing Capital Projects	€ -	€ 4,407,785.00	€ -	2022	€ 8,094,090.00	
Traveller Group Housing	Other Capital projects	€ -	€ 1,300,000.00	€ -	2021	€ 1,500,000.00	
<b>INFRASTRUCTURE &amp; THE MARINE</b>							
N52 Ardee By Pass	National Road Improvements	€ -	€ 2,000,000.00	€ -	2024	€ 42,983,000.00	
N53 Barronstown to HBX	National Road Improvements	€ -	€ 3,000.00	€ -	2023	€ 2,843,926.00	

Expenditure being Considered - Greater than €0.5m (Capital and Current)							
Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant )	Capital Expenditure Amount in Reference Year (Grant )	Project/Programme Anticipated Timeline	Projected Lifetime Expenditure	Explanatory Notes
N53 Barronstown to Newtownbalregan	National Road Improvements	€ -	€ 6,147.00	€ -	2023	€ 7,391,000.00	
N53 HBX to Rissan	National Road Improvements	€ -	€ 562,000.00	€ -	2023	€ 12,000,000.00	
Road works program (Rolling Program)	National Road Surface Renewal	€ -	€ 500,000.00	€ -	2023	€ 2,000,000.00	
Newtown Access Road	Regional & Local Road Improvements	€ -	€ 3,528,000.00	€ -	2022	€ 4,527,564.00	
Mount Avenue	Regional & Local Road Improvements	€ -	€ 4,001,603.00	€ -	2022	€ 6,353,385.00	
Drogheda Civic Office	Corporate Buildings	€ -	€ 6,897,883.00	€ -	2023	€ 12,000,000.00	
Ardee Castle	Corporate Buildings	€ -	€ 1,600,000.00	€ -	2023	€ 4,294,000.00	
Townparks Flood Alleviation Works (Balmer's Bog)	Surface Water, Flooding & Coastal Erosion	€ -	€ 716,607.00	€ -	2021	€ 816,230.00	
CFRAM, Louth Flood Relief Schemes	Surface Water, Flooding & Coastal Erosion	€ -	€ 1,425,000.00	€ -	2030	€ 83,000,000.00	
Greenore Coastal Protection	Surface Water, Flooding & Coastal Erosion	€ -		€ -	2030	€ 2,500,000.00	
URDF Application Form Call 2 2020 St Nicholas Quarter& Backlands	Public Realm	€ -	€ 160,679.00	€ -	2024	€ 9,983,695.00	
Drogheda Westgate (Design Phase)	Public Realm	€ -	€ 439,500.00	€ -	2022	€ 660,000.00	
Long Walk (Design Phase)	Public Realm	€ -	€ 473,000.00	€ -	2021	€ 710,000.00	
Carlingford RRDF	Parking & Public Transport	€ -	€ 250,000.00	€ -	2022	€ 943,173.00	
HD 17 Park & Share	Parking & Public Transport	€ -	€ 1,200,000.00	€ -	2022	€ 1,800,000.00	
Port Access Northern Cross Route (URDF Funding 2020)	Strategic Road Schemes	€ -	€ 1,185,000.00	€ -	2024	€ 76,000,000.00	
Obleisk Bridge	Specific Improvement Grant Bridges	€ -	€ 943,926.00	€ -	2022	€ 1,123,606.00	
St. Dominick Bridge	Specific Improvement Grant Bridges	€ -	€ 1,438,637.00	€ -	2022	€ 1,644,355.00	
Project Ardee 2040 (RRDF)	Footpaths, Cycleways & Greenways	€ -	€ 434,866.00	€ -	2022	€ 702,300.00	
Public Lighting National Efficiency Project	Public Street Lighting	€ -	€ 1,100,000.00	€ -	2024	€ 6,500,000.00	
Ardee Educate Together School	Schools	€ -	€ 2,500,000.00	€ -	2022	€ 5,299,640.00	
<b>OPERATIONS &amp; LOCAL SERVICES</b>							
Pay Parking Upgrades		€ -	€ 140,000.00	€ -	2021	€ 1,251,741.00	
Car Park Programm		€ -	€ 200,000.00	€ -	2022	€ 615,000.00	
Traffic Lights Replacement Programme Phase		€ -	€ 500,000.00	€ -	2022	€ 750,000.00	
Footpath Replacement Programme		€ -	€ 200,000.00	€ -	2022	€ 750,000.00	
FASTER Project - Facilitating a Sustainable Transition to Electric Vehicules in the Region		€ -	€ 200,000.00	€ -	2023	€ 2,045,770.00	
Climate Action Project		€ -	€ 250,000.00	€ -	2022	€ 700,000.00	
<b>ENVIRONMENT &amp; FIRE SERVICES</b>							
Whiteriver Landfill	Landfill	€ -	€ 371,609.00	€ -	2044	€ 11,190,328.00	
Dundalk Landfill Work	Landfill	€ -	€ 162,806.00	€ -	2032	€ 3,211,582.00	
Drogheda Landfill Work	Landfill	€ -	€ 755,000.00	€ -	2022	€ 1,903,000.00	
Dundalk Training Centre	Fire Services	€ -	€ 445,000.00	€ -	2023	€ 1,145,000.00	
Dunleer Fire Station	Fire Services	€ -	€ 900,000.00	€ -	2022	€ 1,500,000.00	

Expenditure being Considered - Greater than €0.5m (Capital and Current)

Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant )	Capital Expenditure Amount in Reference Year (Grant )	Project/Programme Anticipated Timeline	Projected Lifetime Expenditure	Explanatory Notes
<b>RECREATION &amp; AMENITY</b>							
Swimming Pools Upgrades - Drogheda & Dundalk		€ -	€ 438,900.00	€ -	2022	€ 894,000.00	
Local Authority Play and Sports Facilities		€ -	€ 300,000.00	€ -	2022	€ 500,000.00	
Local Authority Parks Improvements & Development		€ -	€ 250,000.00	€ -	2022	€ 500,000.00	
Outdoor Recreation Projects		€ -	€ 175,000.00	€ -	2021	€ 640,000.00	
Omeath to Newry Greenway		€ -	€ 1,200,000.00	€ -	2023	€ 5,846,069.00	
Navy Bank / Point Road Project		€ -	€ 600,000.00	€ -	2022	€ 750,000.00	
Carlingford Library & Libraries Redevelopment		€ -	€ 225,000.00	€ -	2023	€ 500,000.00	
Small Urban Village		€ -	€ 375,000.00	€ -	2020	€ 875,000.00	
Drogheda Destination Towns Project		€ -	€ 499,924.00	€ -	2022	€ 666,565.00	
Drogheda Municipal Pitches		€ -	€ 200,000.00	€ -	2022	€ 500,000.00	
		€ -	€ -	€ -		€ -	
<b>TOTALS</b>		€ -	€ 126,593,002.00	€ -		€ 544,245,743.00	

## Appendix B

### Appendix B: Inventory Lists - Expenditure Being Incurred

Expenditure being Incurred - Greater than €0.5m (Capital and Current)								
Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant)	Capital Expenditure Amount in Reference Year (Grant)	Project/Programme Anticipated Timeline	Cumulative Expenditure to date	Projected Lifetime Expenditure (Capital Only)	Explanatory Notes
<b>HOUSING &amp; BUILDING</b>								
A01 - Maintenance & Improvement of LA Housing Units		€ 9,688,892.00	€ -	€ -	2021	€ 9,688,892.00	€ -	-
A02 - Housing Assessment, Allocation and Transfer		€ 866,969.00	€ -	€ -	2021	€ 10,555,861.00	€ -	-
A03 - Housing Rent and Tenant Purchase Administration		€ 918,633.00	€ -	€ -	2021	€ 11,474,494.00	€ -	-
A04 - Housing Community Development Support		€ 765,134.00	€ -	€ -	2021	€ 12,239,628.00	€ -	-
A05 - Administration of Homeless Service		€ 2,922,183.00	€ -	€ -	2021	€ 15,161,811.00	€ -	-
A06 - Support to Housing Capital Prog		€ 2,305,888.00	€ -	€ -	2021	€ 17,467,699.00	€ -	-
A07 - RAS and Leasing Programme		€ 14,634,692.00	€ -	€ -	2021	€ 32,102,391.00	€ -	-
A08 - Housing Loans		€ 2,768,613.00	€ -	€ -	2021	€ 34,871,004.00	€ -	-
A09 - Housing Grants		€ 3,008,548.00	€ -	€ -	2021	€ 37,879,552.00	€ -	-
A12 - HAP Programme		€ 641,710.00	€ -	€ -	2021	€ 38,521,262.00	€ -	-
<b>HOUSING CAPITAL</b>								
CAF Turnkey Acquisitions		€ -	€ 3,107,320.00	€ -	2021	€ 41,628,582.00	€ 3,726,280.00	#115479
RSV Capital Assistance Schemes		€ -	€ 4,795,976.00	€ -	2021	€ 46,424,558.00	€ 15,560,120.00	#115488
CWF Coxes Regeneration Scheme Phase 2B		€ -	€ 2,390,703.00	€ -	2021	€ 48,815,261.00	€ 6,000,000.00	#1001113
CAF Purchase of Social Houses (Not Part 5 or Affordables)		€ -	€ 2,808,370.00	€ -	2021	€ 51,623,631.00	€ 6,482,125.00	#115005
RSV CALF Payment		€ -	€ 32,277,623.00	€ -	2021	€ 83,901,254.00	€ 85,306,605.00	#115508
<b>ROAD TRANSPORT &amp; SAFETY</b>								
B02 - NS Road - Maintenance and Improvement		€ 610,582.00	€ -	€ -	2021	€ 84,511,836.00	€ -	-
B03 - Regional Road - Maintenance and Improvement		€ 5,539,669.00	€ -	€ -	2021	€ 90,051,505.00	€ -	-
B04 - Local Road - Maintenance and Improvement		€ 15,255,244.00	€ -	€ -	2021	€ 105,306,749.00	€ -	-
B05 - Public Lighting		€ 1,815,445.00	€ -	€ -	2021	€ 107,122,194.00	€ -	-
B07 - Road Safety Engineering Improvement		€ 596,708.00	€ -	€ -	2021	€ 107,718,902.00	€ -	-
B09 - Car Parking		€ 1,060,814.00	€ -	€ -	2021	€ 108,779,716.00	€ -	-
B10 - Support to Roads Capital Prog		€ 579,631.00	€ -	€ -	2021	€ 109,359,347.00	€ -	-
<b>ROADS CAPITAL</b>								
RSF Active Travel Projects 2021		€ -	€ 1,277,302.00	€ -	2021	€ 110,636,649.00	€ 4,649,670.00	#214510
CWF Park & Share Facility N52		€ -	€ 1,207,572.00	€ -	2021	€ 111,844,221.00	€ 1,800,000.00	#22275
<b>WATER SERVICES</b>								
C01 - Water Supply		€ 3,774,593.00	€ -	€ -	2021	€ 115,618,814.00	€ -	-
C02 - Waste Water Treatment		€ 1,717,972.00	€ -	€ -	2021	€ 117,336,786.00	€ -	-
<b>DEVELOPMENT MANAGEMENT</b>								
D01 - Forward Planning		€ 863,682.00	€ -	€ -	2021	€ 118,200,468.00	€ -	-
D02 - Development Management		€ 2,379,172.00	€ -	€ -	2021	€ 120,579,640.00	€ -	-
D03 - Enforcement		€ 911,774.00	€ -	€ -	2021	€ 121,491,414.00	€ -	-
D04 - Industrial and Commercial Facilities		€ 810,003.00	€ -	€ -	2021	€ 122,301,417.00	€ -	-
D06 - Community and Enterprise Function		€ 5,982,993.00	€ -	€ -	2021	€ 128,284,410.00	€ -	-
D09 - Economic Development and Promotion		€ 5,409,661.00	€ -	€ -	2021	€ 133,694,071.00	€ -	-
<b>ENVIRONMENTAL SERVICES</b>								
E01 - Landfill Operation and Aftercare		€ 1,149,467.00	€ -	€ -	2021	€ 134,843,538.00	€ -	-
E05 - Litter Management		€ 1,183,775.00	€ -	€ -	2021	€ 136,027,313.00	€ -	-
E06 - Street Cleaning		€ 3,031,637.00	€ -	€ -	2021	€ 139,058,950.00	€ -	-
E07 - Waste Regulations, Monitoring and Enforcement		€ 785,252.00	€ -	€ -	2021	€ 139,844,202.00	€ -	-
E09 - Maintenance of Burial Grounds		€ 631,501.00	€ -	€ -	2021	€ 140,475,703.00	€ -	-
E11 - Operation of Fire Service		€ 8,883,505.00	€ -	€ -	2021	€ 149,359,208.00	€ -	-
E13 - Water Quality, Air and Noise Pollution		€ 737,534.00	€ -	€ -	2021	€ 150,096,742.00	€ -	-
<b>RECREATION &amp; AMENITY</b>								
F02 - Operation of Library and Archival Service		€ 3,280,572.00	€ -	€ -	2021	€ 153,377,314.00	€ -	-
F03 - Outdoor Leisure Areas Operations		€ 1,811,377.00	€ -	€ -	2021	€ 155,188,691.00	€ -	-
F04 - Community Sport and Recreational Development		€ 1,774,959.00	€ -	€ -	2021	€ 156,963,650.00	€ -	-
F05 - Operation of Arts Programme		€ 2,079,359.00	€ -	€ -	2021	€ 159,043,009.00	€ -	-
<b>AGRICULTURE, EDUCATION, HEALTH &amp; WELFARE</b>								
G04 - Veterinary Service		€ 655,726.00	€ -	€ -	2021	€ 159,698,735.00	€ -	-

Expenditure being Incurred - Greater than €0.5m (Capital and Current)								
Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant)	Capital Expenditure Amount in Reference Year (Grant)	Project/Programme Anticipated Timeline	Cumulative Expenditure to date	Projected Lifetime Expenditure (Capital Only)	Explanatory Notes
<b>AGRICULTURE, EDUCATION, HEALTH &amp; WELFARE CAPITAL</b>								
RSF Louth Flood Defence Project		€ -	€ 1,409,157.00	€ -	2021	€ 161,107,892.00	€ 5,425,000.00	#71585
<b>MISCELLANEOUS SERVICES</b>								
H03 - Administration of Rates		€ 16,485,771.00	€ -	€ -	2021	€ 177,593,663.00	€ -	
H09 - Local Representation & Civic Leadership		€ 1,134,139.00	€ -	€ -	2021	€ 178,727,802.00	€ -	
H10 - Motor Taxation		€ 1,120,111.00	€ -	€ -	2021	€ 179,847,913.00	€ -	
<b>ADMINISTRATION &amp; MISCELLANEOUS CAPITAL</b>								
CPF Dominican Church Drogheda		€ -	€ 630,419.00	€ -	2021	€ 180,478,332.00	€ 630,419.00	#85514
		€ -	€ -	€ -		€ -	€ -	
		€ -	€ -	€ -		€ -	€ -	
<b>Totals</b>		<b>€ 130,573,890.00</b>	<b>€ 49,904,442.00</b>	<b>€ -</b>		<b>€ 180,478,332.00</b>	<b>€ 129,580,219</b>	

## Appendix C

### Appendix C: Inventory Lists - Expenditure Completed / Discontinued

Projects/Programmes Completed or discontinued in the reference year - Greater than €0.5m (Capital and Current)							
Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant)	Capital Expenditure Amount in Reference Year (Grant)	Project/Programme Completion Date	Final Outturn Expenditure	Explanatory Notes
<b>SOCIAL HOUSING PROJECTS</b>							
Fr. Finn Park, Louth Village, Phase 2	17 new social housing units (#115514) - <b>COMPLETED</b>	€ -	€ 784,690.00	€ -	Apr-21	€ 3,570,000.00	Retention to be paid in 2022. The figure adjacent can be broken down as follows: Construction Contractor €769,526, Design Team €15,165. Funding approval for this project was garnered from the Dept. of Housing, Local Government & Heritage.
Part V Acquisition units (6 no. Linenfield)	6 new Part V units at Linenfield Crescent, Drogheda. 5 units completed in 2021 (Phase 1) and remaining 1 unit to be completed in 2022 (Phase 2). <b>Phase 1 (5 units) COMPLETED.</b>	€ -	€ 1,173,000.00	€ -	Dec-21	€ 1,407,600.00	6 Part V units to be delivered in 2 phases. Phase 1 - 5 units at cost of €234,600 each completed in 2021. Phase 2 - 1 unit to be completed in 2022. Final Outturn Expenditure is for delivery of all 6 units. DHLGH Approval is €1,407,600 for 6 units.
The Loakers, Blackrock, Dundalk - 3 units	Discontinued this Scheme proposal - <b>WITHDRAWN</b>	€ -	€ 100,000.00	€ -		€ 750,000.00	This Scheme withdrawn form Capital due to flood issues.
Gort Bui, Drogheda - 50 units	50 units Turnkey (#1001250) - <b>COMPLETED</b>	€ -	€ 8,053,340.00	€ -	May-21	€ 14,251,460.00	Completed in 5 Phases from Oct. 2020 & May 2021. DHLGH Approval is €14,251,460 for 50 units.
Castletown Road, Dundalk - 6 units	6 units Turnkey - <b>WITHDRAWN</b>	€ -	€ -	€ -		€ 1,275,780.00	Turnkey proposal withdrawn in 2021
Termon River, Termonfeckin - 3 units	3 units Turnkey - <b>COMPLETED</b>	€ -	€ 1,476.00	€ -	Dec-21	€ 1,077,000.00	Completed in 2 Phases from Dec.2020 & Dec. 2021
RSF Restoration of Crumb Rubber Lands		€ -	€ 560,001.00	€ -	Oct-21	€ 560,001.00	Job code 51599 – job complete in 2021
		€ -	€ -	€ -		€ -	
<b>Totals</b>		€ -	€ 10,672,507.00	€ -		€ 22,891,841.00	

## Section 2

## Section 2

This section of the report contains the details and findings from the in-depth analysis as required by step 4 of the quality assurance process.



## Louth County Council

Review of Compliance - Public Spending Code 2021

Final Report June 2022

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# 1. Overview

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Louth County Council (“LCC” / “Council”) is a local authority consisting of 29 elected members, serving a population of 128,884 approx. It is divided into 4 Municipal District Areas and has 5 electoral areas.

Louth County Council is obliged to apply DPER Circular 13/13 - The Public Spending Code: Expenditure Planning, Appraisal & Evaluation in the Irish Public Service – Standard Rules & Procedures. An obligation of the Public Spending Code is that all bodies in receipt of public funding are to put in place an internal, independent quality assurance procedure involving annual reporting on how organisations are meeting their Public Spending Code obligations. This is best achieved through carrying out the quality assurance procedure outlined in the Public Spending Code.

Step four of the quality assurance procedure requires organisations (through their internal audit function) to “carry out a more in-depth check on a small number of selected projects and programmes”. Step four looks in more detail at the quality of the appraisal, planning or implementation work done by the Local Authority.

Crowleys DFK are appointed outsourced Internal Auditors to Louth County Council. In accordance with the 2022 Internal Audit Plan – Crowleys DFK performed an external review of LCC’s compliance to the Public Spending Code for the period from 1<sup>st</sup> January 2021 to 31<sup>st</sup> December 2021. Our audit commenced in May 2022. This report presents the results of our review. The scope of our work and the approach adopted are detailed in Sections 2 and 3 of our report.

## Summary of Findings

Our review identified 0 **High**, 2 **Medium** and 1 **Low** priority rated findings which require action from management. These are in the areas of:

High	Medium	Low
N/A	<ol style="list-style-type: none"> <li>1. Compliance with Public Spending Code</li> <li>2. Compliance with Procurement Procedures</li> </ol>	<ol style="list-style-type: none"> <li>1. Policies and Procedures</li> </ol>

We have set out these matters in detail in **Section 6** of our report together with our recommendations for addressing same.

## Current status of issues identified in previous reports

Our review further performed a follow up of the findings and recommendations from the 2018 to 2020 internal audit review of the Public Spending Code to ascertain if agreed audit recommendations had been appropriately implemented. Our review reported a total of **7** previously agreed recommendations that remained open at the time of the 2021 review. Details of the follow-up are included in **Section 7** of this report.

## In-Depth Check – Quality Assurance

We provide details of our in-depth quality assurance tests across all projects sampled, and the results reported from our tests in **Appendix 2** of this report.

## 2. Objectives and Scope

DPER Circular 13/13 The Public Spending Code: Expenditure Planning, Appraisal & Evaluation in the Irish Public Service – Standard Rules & Procedures was issued by the Department of Public Expenditure and Reform in September 2013.

The Public Spending Code brings together in one place details of the obligations that those responsible for spending public money are obliged to adhere to, as well as guidance material on how to comply with the obligations outlined. The Public Spending Code applies to both current and capital expenditure and explains what is required of public service managers at different points of the expenditure lifecycle and offers advice on how to fulfil those requirements.

All Government Departments, public bodies and all bodies in receipt of public funding must comply, as appropriate, with the relevant requirements of the Public Spending Code. An obligation of the Public Spending Code is that all bodies in receipt of public funding are to put in place an internal, independent quality assurance procedure involving annual reporting on how organisations are meeting their Public Spending Code obligations. This is best achieved through carrying out the quality assurance procedure outlined in the Public Spending Code.

Step four of the quality assurance procedure requires organisations (through their internal audit function) to “carry out a more in-depth check on a small number of selected projects and programmes”. Step four looks in more detail at the quality of the appraisal, planning or implementation work done by the Local Authority.

Crowleys DFK in our capacity as internal auditors to LCC, performed an external review of LCC’s compliance to the Public Spending Code. The objectives of the Internal Audit are to provide assurance on:

- a) the adequacy and the effectiveness of LCC’s policies and procedure for the quality assurance reporting process;
- b) the extent to which the adopted policies and working practices are in line with the Public Spending Code in terms of revenue and capital expenditure.

The review focused on the following areas:

Audit Objective	Overview of Review Programme
Assess the adequacy and the effectiveness of LCC’s policies and procedures for the quality assurance reporting process.	<ul style="list-style-type: none"> <li>• Review relevant policies and procedures in relation to quality assurance reporting.</li> <li>• Identify and evaluate the procedures in place and verify if the key controls are documented and working as intended.</li> <li>• As part of the in-depth check for the quality assurance reporting process, review a selection of projects/programs undertaken by Council and assess compliance to internal controls policies and procedures.</li> </ul>
Assess the extent to which the adopted policies and working practices are in line with the Public Spending Code in terms of the revenue and capital expenditure	<ul style="list-style-type: none"> <li>• Benchmark controls adopted to the Public Spending Code.</li> <li>• Review value for money consideration on selected projects/programs.</li> <li>• Review tender evaluation and awards process and assess if the methodology represents a balanced approach.</li> <li>• Assess procedures in place for the evaluation of expenditures incurred.</li> </ul>

### 3. Approach and Methodology

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The quality assurance process requires that the value of the projects selected for in depth review each year should be at least 5% of the total value of all capital projects on the Project Inventory and 1% of the total value of all revenue projects on the Project Inventory, with this minimum value being calculated as an average over a three-year period.

Below is a summary of the samples selected by Internal audit for in-depth review based on LCC's supplied project inventory over the three-year average (2019-2021) period.

#### Capital Expenditures:

Year	Sample Size	Population	% of selected for detailed testing
2019	€5.41m	€38.55m	14%
2020	€36.05	€617.51m	6%
2021	€104.89m	€696.72m	15%
<b>Total average over 3 years</b>			<b>12%</b>

#### Current Expenditures:

Year	Sample Size	Population	% of selected for detailed testing
2019	€1.28m	€97.82m	1%
2020	€24.86m	€171.09m	15%
2021	€8.88m	€130.57m	7%
<b>Total average over 3 years</b>			<b>8%</b>

## Sampling

Our review covered the period from 1st January 2021 to 31st December 2021.

The Public Spending Code provides that the sample projects should not be selected more than once in a three-year period unless it is a follow-up to serious deficiencies discovered previously.

Samples selected for review by Internal Audit consisted of 4 capital projects amounting to €104.89m and 1 revenue expenditure amounting to €8.88m. These are equivalent to 12% and 8% of the total value of capital projects and revenue expenditure, respectively:

Projects selected for review (based on the Project Inventory)		
Project	Category	Total Value of the Project
CFRAM, Louth Flood Relief Schemes	Expenditure being considered	€83m
St. Dominick Bridge	Expenditure being considered	€1.64m
CWF Coxes Regeneration Scheme Phase 2B	Expenditure being Incurred	€6m
CAF 50 Turnkey Units at Gort Bui Ballymakenny Road	Completed	€14.25m
<b>Total value of selected Capital Expenditures</b>		<b>€104.89m</b>
Operation of Fire Service	Expenditure being Incurred	€8.88m
<b>Total value of selected Revenue Expenditures</b>		<b>€8.88m</b>

## Approach

In performing this review, Internal Audit used the following information-gathering and analytical techniques:

- Desktop research and critical evaluation of documented and adopted policies;
- Benchmarking of the documented and adopted policies against sector best practice;
- Focused fact finding meetings and verification discussions with key employees;
- Walk through of selected procurement policies and procedures.

The following table provides the personnel with whom we met, spoke to or received information from, during the course of our review:

<b>Personnel</b>
Accountant
Procurement Officer
Chief Fire Officer
Senior Executive Engineer, Housing Capital
Administrative Officer Infrastructure
Administrative Officer, Louth Flood Relief Office
Assistant Engineer, Housing – Capital Projects

## 4. Ratings Classifications

The **overall opinion level**, based upon our assessment of controls and our findings has been derived using the assurance levels as described below:

Assurance Level	Description
<b>Substantial</b>	There is a sound framework of control in place and the controls are being consistently applied to ensure risks are managed effectively, which should ensure that objectives can be fully achieved. Some minor action may be required to improve controls.
<b>Reasonable</b>	There is a good framework of control in place and the majority of controls are being consistently applied to ensure risks are effectively managed. Some control weaknesses or gaps were identified however this should not significantly impact on the achievement of objectives.
<b>Limited</b>	There is an inadequate and/or ineffective system of control in place which could impair the achievement of the objectives of the system, function, or process. Prompt management action is required to improve controls, to ensure controls are being consistently applied and to ensure risks are managed effectively.
<b>Minimal</b>	The system of control has failed or there are material weaknesses in the design and operation of controls which could have a significant impact on the achievement of organisation objectives; or may result in a financial loss.

The **main findings, control weaknesses noted or suggested areas for improvement** are ranked as high, medium or low and are dealt with in order of priority. The rankings used are described below:

Classification	Description
<b>High</b>	Major Internal Control weakness or issue that has potential for: <ul style="list-style-type: none"> <li>• Significant damage to the organisation's reputation; and/or</li> <li>• Significant financial loss or loss of value for money; and/or</li> <li>• Significant operational disruption; and/or</li> <li>• Non-compliances with legislative and regulatory requirements; and/or</li> <li>• Significant inefficiency costing senior management time.</li> </ul> Remedial action must be taken urgently.
<b>Medium</b>	Internal Control weakness or issue that has potential for: <ul style="list-style-type: none"> <li>• Adverse impact to reputation; and/or</li> <li>• Financial loss or loss of value for money; and/or</li> <li>• Operational disruption; and/or</li> <li>• Inefficiency costing senior management time.</li> </ul> Weakness identified should be of concern to senior management and requires prompt specific action.
<b>Low</b>	Minor control deficiency where Internal Control improvements or the strengthening of the area's risk management/ control culture is required. These mainly relate to matters such as system enhancements, procedural changes or minor control deficiencies that do not expose the organisation to significant risk but can result in improved efficiency.

## 5. Assessment

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Our review reported no **High** priority rated findings

**Apart from 2 **Medium** and 1 **Low** priority rated findings, controls put in place by Louth County Council to comply with the Public Spending Code tested satisfactory during the review period.**

Results from our tests indicate that **reasonable assurance** can be placed on the sufficiency and operation of internal procurement controls to mitigate and/or manage key inherent risks.

**However, we report to the Chief Executive and her Senior Management Team that :-**

1. Of the 5 projects selected for review, a number of procurement documents for 1 project (Operation of Fire Services) were not provided to Internal Audit in time for this report.
2. Our review identified a total of **7** remaining agreed recommendations from prior years' Public Spending Code compliance reviews that remained **open** at the time of the 2021 review (5 were partially implemented and 2 have not yet been implemented). Details of the follow-up are included in Section 7 of this report. We urge that management undertake a firm action plan to address issues identified.

## 6. Detailed Findings

### 1 Compliance with Public Spending Code Guidelines

#### Findings

Louth County Council is obliged to comply with the requirements of the Public Spending Code (PSC).

From a selected sample of projects, Internal Audit performed substantive tests and process walkthroughs to assess LCC's compliance with the Code. Results of our tests reported the following gaps:

- **Quality Assurance Requirements**

We noted the following gaps in the Step 1 QA process (Project Inventory):

- a) Based on the review of the contract for the rehabilitation work of St. Dominic's Bridge and confirmation with the project owner, work began in November 2021. However, the project is still categorised as "Expenditure being considered" instead of "Expenditure being incurred" in the project inventory.
- b) For 2 projects (CWF Coxes Regeneration Scheme Phase 2B and St Dominic's Bridge), the projected lifetime expenditure indicated in the Project Inventory does not match the total project cost approved. The amount approved is greater than what is recorded in the project inventory.

- **Project Approval**

For 2 projects reviewed, we noted the following gaps in the documentation relating to approval of the projects:

- a) The Approving Authority for the CFRAM, Louth Flood Relief Schemes is the Office of Public Works (OPW). LCC relied on a Ministerial announcement published in a newspaper to ascertain the funding allocated to the County Council for these Schemes. The amount based on this press release is €83.55m. OPW did not formally inform Louth County Council on the amount of the project lifetime expenditure.
- b) The following document was not retained on file: Capital Appraisal (Business Case) Proposal to DHPLG related to CWF Coxes Regeneration Scheme Phase 2B.

- **Performance Assessment**

We noted the following gaps in the documentation relating to performance assessment of the projects:

- a) For 3 projects reviewed, there was no formal key performance indicator established at the planning stage of the project to measure the achievement of the objectives and outcomes of the project.
- b) For the Operation of Fire Services, documentation regarding monitoring of the KPI related to staffing levels was not included in the statistics report. No other documents were provided where this KPI was reviewed as part of performance monitoring. Aside from the response times and number of

	<p>incidents during the year, there is no further documentation available to evidence the monitoring of performance, costings and effectiveness of the Operation of Fire Services (i.e., performance of other activities such as details of trainings conducted, inspections, etc.).</p> <ul style="list-style-type: none"> <li>• <b>Post Project Review</b></li> </ul> <p>As stated in the public spending code, a Project Completion Report should be sent to the Approving Authority for review. The Approving Authority must check the completeness of the Report in terms of both the requirements set out here and relevant sector specific guidance.</p> <p>The Post Project Review Report for CAF 50 Turnkey Units at Gort Bui Ballymakenny Road Project was not dated. This means that we cannot verify when the review was performed. As confirmed with the project owner, the review was performed in May 2021, after the completion of the project. The review was only submitted to the Department on June 1, 2022, after this document was requested by Internal Audit.</p>
Risk	<ul style="list-style-type: none"> <li>• Risk that instances of non-compliance with the PSC may not be promptly identified, remedied, and properly reported.</li> <li>• Risk that value for money may not have been achieved.</li> <li>• Risk of an inadequate audit trail.</li> </ul>
Recommendation	<p>Internal Audit recommends that Management:</p> <ul style="list-style-type: none"> <li>• Ensure the project inventory is complete and accurate, and that projects are properly categorised. The costs in the inventory should be reviewed and confirmed with the respective project owners. Guidance on the completion of the project inventory is outlined in Version 4 of the PSC QA Requirements, Guidance Note for Local Government Section.</li> <li>• Obtain from OPW a formal approval for the €83.55m project funding allocated to LCC.</li> <li>• Ensure a copy of the approved Business Case should be retained on file to track project KPIs and to provide an audit trail.</li> <li>• Ensure key performance indicators are established during planning to appropriately assess the achievement of the project objectives. Continuous monitoring and assessment should be performed to ensure that the set KPIs are met.</li> <li>• Ensure that the date when the post project review is performed is documented in the report. Completed post project review reports should be submitted to the approving department in a timely fashion.</li> </ul>
Classification	Medium

<b>Management Comments</b>	These Recommendations are accepted.
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<b>Lead Responsible Person</b>	<b>Timeframe for Action</b>
Seniors with applicable projects	Immediately

## 2 | Compliance with Procurement Procedures

<p><b>Findings</b></p>	<p>Internal Audit performed detailed compliance tests against public procurement guidelines on the procurements performed by LCC across five projects.</p> <p>Results of our tests reported the following gaps:</p> <ul style="list-style-type: none"> <li>• <b>Procurement Procedures</b></li> </ul> <p>Internal Audit tested a total of 22 procurements across five projects reviewed. Our tests reported the following:</p> <ol style="list-style-type: none"> <li>a) For the 5 procurements reviewed, the evaluation team did not sign a declaration of conflicts of interest prior to the evaluation of the tenders received.</li> <li>b) For 1 procurement, the signed public works contract agreement is not dated. Thus, we cannot verify if the contract was signed at an appropriate time.</li> <li>c) For 2 procurements, the evaluation scoresheet is not signed and dated by the evaluators. In addition, the evaluation date is not documented in the scoresheet nor in the tender report.</li> <li>d) For 1 procurement, the Contract Award Notice for the procurement is not published in the eTenders website. A Contract Award Notice must be sent to OJEU via eTenders within 30 days of the award of a contract. DPER Circular 10/14 also requires all buyers to publish Contract Award Notices for all contracts over €25,000 (exclusive of VAT) on eTenders on completion of the award.</li> <li>e) For 6 procurements, documentation to justify the use of negotiated procedure without prior publication and relevant approvals is not available. There is also no evidence to indicate that procurements made to sole suppliers are reviewed and monitored to ensure compliance with Circular 40/02 report.</li> </ol> <ul style="list-style-type: none"> <li>• <b>Retention of Procurement Documents</b></li> </ul> <p>Procurement records were not made available for review by Internal Audit for 5 sample procurements selected for the Operation of Fire Service Revenue Project.</p>
<p><b>Risk</b></p>	<ul style="list-style-type: none"> <li>• Risk that instances of non-compliance with the PSC may not be promptly identified, remedied, and properly reported.</li> <li>• Risk that value for money may not have been achieved.</li> <li>• Risk of an inadequate audit trail.</li> </ul>
<p><b>Recommendation</b></p>	<p>Internal Audit recommends that Management:</p> <ul style="list-style-type: none"> <li>• Ensure all participants in every tender evaluation are required to declare conflict of interest before they can be considered for the evaluation panel and before they are given access to tender documentation. These declarations must be</li> </ul>

	<p>documented and maintained on file.</p> <ul style="list-style-type: none"> <li>• All contracts entered into by LCC should be appropriately signed and dated.</li> <li>• The evaluation scoresheets should be signed and date stamped by the evaluation team. The date of evaluation should be indicated either in the evaluation scoresheet or tender report.</li> <li>• Consider establishing a form or template to document the justification for the use of negotiated procedure without prior publication and relevant approvals.</li> <li>• Ensure that all contracts for a similar service or goods with a value of more than €25,000 awarded to a single supplier through a non-competitive procurement process are declared as part of the Circular 40/02 report. Sole source justification forms should be completed for each sole supplier.</li> <li>• Documents related to the procurements should be stored in a single central repository, retained and made available for audit purposes.</li> </ul>
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<b>Classification</b>	<b>Medium</b>
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<b>Management Comments</b>	These Recommendations are accepted.
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<b>Lead Responsible Person</b>	<b>Timeframe for Action</b>
Seniors for applicable projects and Procurement Officer for creation/sourcing templates and distributing same	Q3 2022

### 3 | Policies and Procedures

<p><b>Findings</b></p>	<p>Louth County Council has established and documented policies and procedures for procurement. The policies and procedures were last reviewed and updated in May 2022.</p> <p>Internal Audit benchmarked LCC's procurement policies and procedures against public procurement guidelines and performed a high-level review of the policies and procedures for completeness and segregation of duties. Our review reported the following gaps:</p> <ul style="list-style-type: none"> <li>• An overview of the public spending code (PSC) is documented in the policies and procedures. However, specific procedures in relation to the 5-step reporting requirements for the PSC QA are not documented.</li> <li>• Procedures to be undertaken if there is a requirement to change/modify an agreed project plan are not outlined in the policy.</li> <li>• Article 32 of Directive 2014/24/EC states that contracting authorities awarding public contracts by a negotiated procedure without prior publication can only do so during the three years following the conclusion of the original contract. An explanation of negotiated procedure without prior publication is outlined in the procurement policy. However, the specific procedures to be undertaken in dealing with non-competitive procurement and procedures to comply with Article 32 are not documented in the manual.</li> <li>• The European Council recently adopted a new regulation – EU Regulation 2022/576 – aimed at restricting participation in economic activity by economic operators from the Russian Federation. Article 5k of the Regulation prohibits awarding or continuing to execute any public or concession contract falling within the scope of the public procurement Directives to or with: <ul style="list-style-type: none"> <li>○ a Russian national, or a natural or legal person, entity or body established in Russia;</li> <li>○ a legal person, entity or body whose proprietary rights are directly or indirectly owned for more than 50% by a Russian national, or a natural or legal person, entity or body established in Russia;</li> <li>○ a natural or legal person, entity or body acting on behalf or at the direction of a Russian national, or a natural or legal person, entity or body established in Russia, including, where they account for more than 10% of the contract value, subcontractors, suppliers or entities whose capacities are being relied on within the meaning of the public procurement Directives.</li> </ul> </li> </ul> <p>LCC's internal procurement guidelines have not been updated to reflect or to monitor compliance to Article 5k.</p>
<p><b>Risk</b></p>	<ul style="list-style-type: none"> <li>• Risk of reputational damage due to non-compliance with the Public Spending Code and OGP Procurement Guidelines.</li> </ul>

	<ul style="list-style-type: none"> <li>• Risk that adopted policies and procedures do not reflect current practices, which may result in inconsistencies to procedures applied for project management.</li> <li>• Risk of reduced accountability.</li> </ul>
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<b>Recommendation</b>	<p>Internal Audit recommends that management update LCC’s procurement policies and procedures to address the gaps identified. Approval from senior management on the updates and changes to the procurement policies and procedures should be obtained. Management should also update internal practices to monitor and to report compliance to Article 5k of EU Regulation 2022/576.</p> <p>Management should circulate the approved updated procurement policies and procedures to all relevant staff for noting and compliance. Management must ensure that the policies and procedures are accessible and understood by all relevant staff. Management should provide training as required.</p>
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<b>Classification</b>	<b>Low</b>
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<b>Management Comments</b>	This Recommendation is accepted.
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Lead Responsible Person	Timeframe for Action
Procurement Officer	Q3 2022

## 7. Follow-Up

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Internal Audit performed follow-up review of the status of audit recommendations from the 2018 to 2020 Public Spending Code Reviews.

Below is a summary of the progress made by management in the implementation of the audit recommendations.

Audit Report	Implemented	Partially Implemented	Not Implemented	Total
Quality Assurance Review of Public Spending Code 2018	1	0	0	1
Review of Compliance with the Public Spending Code 2019	3	2	2	7
Review of Compliance with the Public Spending Code 2020	1	3	0	4*
<b>Total</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>12</b>

*\*There were 5 recommendations raised during the 2020 review. 1 of these was similar to the recommendations raised in the 2019 review. Due to this, it was not included in the count.*

**A total of 7 previously agreed recommendations remained open at the time of the 2021 review. We urge that management commits to undertake a firm action plan to address issues identified.**

## A. Partially Implemented Recommendations

The table below details previously agreed recommendations that were partially implemented at the time of the 2021 review.

No.	Report Ref	Previous Recommendation	Priority Rating	Management Progress as of May 2021
1	Review of Compliance with the Public Spending Code 2019	<p>Internal Audit recommends that:</p> <ol style="list-style-type: none"> <li>1. A business case outlining an analysis of LCC's needs should be prepared for all contracts exceeding €25,000 (ex. VAT) in value.</li> </ol> <p>The business case should include the following categories:</p> <ol style="list-style-type: none"> <li>a) Objectives</li> <li>b) Scope</li> <li>c) Feasibility</li> <li>d) Options Appraisal – Economic, Financial, Risk Analysis <ul style="list-style-type: none"> <li>• Define the objective that BIM wants to achieve</li> <li>• Explore options taking account of constraints</li> <li>• Quantify the costs of viable options and specify sources of funding</li> <li>• Analysis on the main options</li> <li>• Identify the risks associated with each viable option</li> <li>• Decide on the preferred option</li> </ul> </li> <li>e) Planning and Design Issues</li> <li>f) Evaluation Plan</li> </ol>	<p>Medium</p>	<p><b>Partially Implemented</b></p> <p>Compliance with the requirement to develop a business case for all contracts exceeding €25,000 (ex. VAT) in value remains sporadic across the Local Authority.</p> <p>Results from tests carried out in the 2021 review confirmed same.</p> <p>Please refer to <b>Section 6</b> for results from 2021 review.</p>

No.	Report Ref	Previous Recommendation	Priority Rating	Management Progress as of May 2021
2	Review of Compliance with the Public Spending Code 2019	<p>Internal Audit recommends that the Council update the Procurement Policies and Procedures manual to include:</p> <ul style="list-style-type: none"> <li>• Complete version control to track relevant information such as details of the policy approver, version number, effective date of the policy and next policy review date.</li> <li>• Procedures to be undertaken if there is requirement to change/modify an agreed project plan.</li> </ul>	Low	<p><b>Partially Implemented</b></p> <p>The policy does not include details on the procedures to be undertaken should there be a requirement that an agreed project plan be changed/modified.</p> <p>Please refer to <b>Section 6</b> for detailed findings.</p>
3	Review of Compliance with the Public Spending Code 2020	<p>Internal Audit recommends that Management should:</p> <ol style="list-style-type: none"> <li>a. Update procurement policies and procedures to address the following gaps: <ul style="list-style-type: none"> <li>• The policy does not provide clear guidelines as to how LCC will comply with the requirement of Public Spending Code: A Guide to Evaluating, Planning and Managing Public Investment.</li> <li>• Appendix 7 of the policy does not detail the supporting documentation required for a Project Lifecycle.</li> <li>• The policy refers to the superseded procurement thresholds of 2018. These thresholds were updated in 2021.</li> </ul> </li> <li>b. Obtain approval from senior management on the updates and changes to the procurement policies and procedures.</li> <li>c. Circulate approved procurement policies and procedures to all relevant staff for noting and compliance. Ensure that the policies and procedures</li> </ol>	Low	<p><b>Partially Implemented</b></p> <p>The procurement policies and procedures were last reviewed and updated in May 2022. There remain gaps identified during the 2021 review of the policies and procedures.</p> <p>Please refer to <b>Section 6</b> for detailed findings.</p>

No.	Report Ref	Previous Recommendation	Priority Rating	Management Progress as of May 2021
		<p>are accessible and understood by all relevant staff. Provide training as required.</p> <p>d. Ensure that the documented manual is reviewed periodically for continued relevance, accuracy, completeness and appropriateness.</p>		
4	Review of Compliance with the Public Spending Code 2020	<p>Internal Audit recommends the following:</p> <p>a. Request for Tender documents must clearly indicate if a Tender is an Open Tender, Mini Competition or Restricted Tender.</p> <p>b. For mini competitions where Tender submissions are evaluated based solely on cost, a scoresheet on costs must be prepared and signed by all evaluation panel members and retained on procurement files.</p> <p>c. All contracts, including any extensions / renewals, must be signed and retained on file prior to the delivery of goods / services.</p> <p>d. Evidence of approvals from appropriate level of Management should be sought prior to contract award. This must be retained on file.</p>	Low	<p><b>Partially Implemented</b></p> <p>There remain gaps identified in the procurement procedures.</p> <p>Results from tests carried out in the 2021 review confirmed same.</p> <p>Please refer to <b>Section 6</b> for detailed findings.</p>
5	Review of Compliance with the Public Spending Code 2020	<p>Internal Audit recommends that:</p> <p>a. KPIs for each project are set at planning stage. Achievement of KPIs should be regularly reviewed at all stages of a project life cycle.</p> <p>b. Regular progress reviews are performed to ensure that the project quality and cost are monitored. Any significant variance should be immediately</p>	Medium	<p><b>Partially Implemented</b></p> <p>Compliance with the requirements of the Public Spending Code remains sporadic across the Local Authority.</p> <p>Results from tests carried out in the 2021 review confirmed same.</p>

No.	Report Ref	Previous Recommendation	Priority Rating	Management Progress as of May 2021
		<p>investigated and followed-up.</p> <p>c. LCC should ensure that post project review is performed in accordance with Public Spending Code requirements. The Public Spending Code requires Project Completion Report to be prepared when the project is at near its completion and not after. The review should also include the following analysis:</p> <ul style="list-style-type: none"> <li>• Basis on which the project was undertaken proved to be correct;</li> <li>• Business case and management procedures were satisfactory;</li> <li>• Operational performance and initial benefits have been realised; and</li> <li>• Conclusions that can be drawn which are applicable to other projects, to the ongoing use of the asset, or to associated projects.</li> </ul>		Please refer to <b>Section 6</b> for results from 2021 review.

## B. Recommendations not implemented

The table below details previously agreed recommendations that have not been actioned by management at the time of the 2020 review.

No.	Report Ref	Previous Recommendation	Priority Rating
1	Review of Compliance with the Public Spending Code 2019	<p>Internal Audit recommends that:</p> <ul style="list-style-type: none"> <li>• All participants in every tender evaluation should be required to declare if a conflict of interest exists before they are given access to the tender documents.</li> </ul>	<b>Medium</b>

No.	Report Ref	Previous Recommendation	Priority Rating
		<p>Declarations by all members of the evaluation panel, whether conflict exists or not, should be properly documented and filed. The same requirement should apply to the third-party contractor engaged to conduct tenders' evaluation for the LCC.</p> <ul style="list-style-type: none"> <li>The third-party contractor engaged to conduct tendering procedures on behalf of the LCC should be required to sign a Confidentiality Agreement for every tender run. A signed copy should be retained on file.</li> </ul>	
2	Review of Compliance with the Public Spending Code 2019	<p>Internal Audit recommends that LCC develop and publish a Corporate Procurement Plan that supports the delivery of their Strategy.</p> <p>The Corporate Procurement Plan should detail essential elements such as procurement objectives, procurement role, measurement of results, governance and approval.</p> <p>The Corporate Procurement Plan should also identify risks associated with procurement and the relevant mitigating actions put in place by LCC.</p> <p>Once approved and adopted, the Corporate Procurement Plan should be published on LCC's website.</p>	Medium

## **8. Acknowledgements and Limitations**

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We would like to thank all personnel at Louth County Council who assisted us during our audit.

We take responsibility for this report, which is prepared on the basis of the limitations set out below.

Our review has been completed in accordance with the work plan presented and approved by the Audit and Risk Committee. The scope and objectives of the review are set out in Section 2 of this report. The issues raised in this report are those that came to our attention during our review and are not necessarily a comprehensive statement of all weaknesses that exist, or all improvements that might be made. Recommendations for improvement should be assessed by management for their full commercial implications before they are implemented.

This report is intended solely for the information and use of Louth County Council only and is not intended to be and should not be used by anyone other than Louth County Council. We accept no duty of care and deny all liability to any third party that places reliance on this report.

As this audit is based on an independent limited testing of controls, it should not be relied upon to identify all improvements in controls which a more exhaustive review might develop.

# **Appendices**

## Appendix 1: Self-Assessment Checklist

**Checklist 1 – To be completed in respect of general obligations not specific to individual projects/programmes.**

	<b>General Obligations not specific to individual projects/programmes.</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
Q 1.1	Does the organisation ensure, on an ongoing basis, that appropriate people within the organisation and its agencies are aware of their requirements under the Public Spending Code (incl. through training)?	2.5	Relevant staff and seniors are made aware of the requirements of Public Spending Code through: - Training where relevant - De-briefing sessions - Procurement Steering Committee Meetings - Policy and Procedures - Dedicated time points i.e. before, during and after the PSC audit conducted by third-party auditors
Q 1.2	Has internal training on the Public Spending Code been provided to relevant staff?	2.5	Guidance is provided for the preparation of PSC inventory and training has been provided to senior staff. The Policy and Procedures document captures the PSC and PSC de-briefing session took place on 24th Sept 2021 with relevant staff
Q 1.3	Has the Public Spending Code been adapted for the type of project/programme that your organisation is responsible for, i.e., have adapted sectoral guidelines been developed?	3	Yes – a guidance document has been developed for the QA process adapting the PSC to local government structures
Q 1.4	Has the organisation in its role as Approving Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	N/A	No projects relevant to the PSC
Q 1.5	Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the organisation and to agencies?	3	2021 is the 8th year of the exercise in the Local Government Sector
Q 1.6	Have recommendations from previous QA reports been acted upon?	3	Recommendations have been relayed to relevant staff with action plans put in place
Q 1.7	Has an annual Public Spending Code QA report been submitted to and certified by the Chief Executive Officer, submitted to NOAC and published on the Local Authority's website?	3	Yes
Q 1.8	Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP?	3	Required sample reviewed

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	<b>General Obligations not specific to individual projects/programmes.</b> <b>(Checklist 1 Continued)</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
Q 1.9	Required sample reviewed	3	Checklist provided on procurement and contract management process including template forex post project evaluation report
Q 1.10	How many formal evaluations were completed in the year under review? Have they been published in a timely manner?	2	Projects in defects liability period
Q 1.11	Is there a process in place to follow up on the recommendations of previous evaluations?	2.5	All projects are reviewed in line with original submission to the relevant Department / Agency to ensure they meet the targets. Post Project review template developed and presented at Procurement Steering Committee meeting
Q 1.12	How have the recommendations of reviews and ex post evaluations informed resource allocation decisions?	N/A	

**Checklist 2 - To be completed in respect of capital projects/programmes & capital grant schemes that were under consideration in the past year.**

	<b>Capital Expenditure being Considered – Appraisal and Approval</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comments/Action Required</b>
Q 2.1	Was a Strategic Assessment Report (SAR) completed for all capital projects and programmes over €10m?	N/A	No projects >€10m
Q 2.2	Were performance indicators specified for each project/programme which will allow for a robust evaluation at a later date? Have steps been put in place to gather performance indicator data?	3	Yes, where applicable and in line with the requirements of the relevant government body/agency
Q 2.3	Was a Preliminary and Final Business Case, including appropriate financial and economic appraisal, completed for all capital projects and programmes?	2	Yes, where applicable
Q 2.4	Were the proposal objectives SMART and aligned with Government policy including National Planning Framework, Climate Mitigation Plan etc.?	2	Yes, where applicable and in line with the requirements of the relevant government body/agency
Q 2.5	Was an appropriate appraisal method and parameters used in respect of capital projects or capital programmes/grant schemes?	2	Yes, where applicable
Q 2.6	Was an appropriate appraisal method and parameters used in respect of capital projects or capital programmes/grant schemes?	2	Yes, where applicable
Q 2.7	Was the appraisal process commenced at an early enough stage to inform decision making?	2	Yes, where applicable
Q 2.8	Were sufficient options analysed in the business case for each capital proposal?	2	Yes, where applicable
Q 2.9	Was the evidence base for the estimated cost set out in each business case? Was an appropriate methodology used to estimate the cost? Were appropriate budget contingencies put in place?	2	Yes, where applicable
Q 2.10	Was risk considered and a risk mitigation strategy commenced? Was appropriate consideration given to governance and deliverability?	2	Yes, where applicable
Q 2.11	Were the Strategic Assessment Report, Preliminary and Final Business Case submitted to DPER for technical review for projects estimated to cost over €100m?	N/A	No projects >€100m
Q 2.12	Was a detailed project brief including design brief and procurement strategy prepared for all investment projects?	3	Completed in line with the requirements of the relevant government body/agency

	<b>Capital Expenditure being Considered – Appraisal and Approval</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comments/Action Required</b>
Q 2.13	Were procurement rules (both National and EU) complied with?	3	Yes
Q 2.14	Was the Capital Works Management Framework (CWMF) properly implemented?	3	Yes
Q 2.15	Were State Aid rules checked for all support?	3	Yes
Q 2.16	Was approval sought from the Approving Authority at all decision gates?	3	Yes
Q 2.17	Was Value for Money assessed and confirmed at each decision gate by Sponsoring Agency and Approving Authority?	3	Yes
Q 2.18	Was approval sought from Government through a Memorandum for Government at the appropriate decision gates for projects estimated to cost over €100m?	N/A	No projects >€100m

**Checklist 3: To be completed in respect of new current expenditure under consideration in the past year.**

	<b>Current Expenditure being Considered – Appraisal and Approval</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
Q 3.1	Were objectives clearly set out?	N/A	No programs relevant to PSC in 2021
Q 3.2	Are objectives measurable in quantitative terms?	N/A	No programs relevant to PSC in 2021
Q 3.3	Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure proposals?	N/A	No programs relevant to PSC in 2021
Q 3.4	Was an appropriate appraisal method used?	N/A	No programs relevant to PSC in 2021
Q 3.5	Was an economic appraisal completed for all projects/programmes exceeding €20m or an annual spend of €5m over 4 years?	N/A	No programs relevant to PSC in 2021
Q 3.6	Did the business case include a section on piloting?	N/A	No programs relevant to PSC in 2021
Q 3.7	Were pilots undertaken for new current spending proposals involving total expenditure of at least €20m over the proposed duration of the programme and a minimum annual expenditure of €5m?	N/A	No programs relevant to PSC in 2021
Q 3.8	Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	No programs relevant to PSC in 2021
Q 3.9	Was the pilot formally evaluated and submitted for approval to the relevant Vote Section in DPER?	N/A	No programs relevant to PSC in 2021
Q 3.10	Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	N/A	No programs relevant to PSC in 2021
Q 3.11	Was the required approval granted?	N/A	No programs relevant to PSC in 2021
Q 3.12	Has a sunset clause been set?	N/A	No programs relevant to PSC in 2021
Q 3.13	If outsourcing was involved were both EU and National procurement rules complied with?	N/A	No programs relevant to PSC in 2021

	<b>Current Expenditure being Considered – Appraisal and Approval</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
Q 3.14	Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure programme which will allow for a robust evaluation at a later date?	N/A	No programs relevant to PSC in 2021
Q 3.15	Have steps been put in place to gather performance indicator data?	N/A	No programs relevant to PSC in 2021

**Checklist 4: To be completed in respect of capital projects/programmes & capital grants schemes incurring expenditure in the year under review.**

	<b>Incurring Capital Expenditure</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
Q 4.1	Was a contract signed and was it in line with the Approval given at each Decision Gate?	3	Yes, where appropriate
Q 4.2	Did management boards/steering committees meet regularly as agreed?	2	Yes, where appropriate
Q 4.3	Were programme co-ordinators appointed to co-ordinate implementation?	2	Internal co-ordinating team in place in the majority of cases
Q 4.4	Were project managers, responsible for delivery, appointed and were the project managers at a suitably senior level for the scale of the project?	2	Internal co-ordinating team in place in the majority of cases
Q 4.5	Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	2	Co-ordinating team prepared in the majority of cases
Q 4.6	Did projects/programmes/grant schemes keep within their financial budget and time schedule?	2	In the majority of cases
Q 4.7	Did budgets have to be adjusted?	2	Yes, up and down
Q 4.8	Were decisions on changes to budgets / time schedules made promptly?	3	Yes
Q 4.9	Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case (exceeding budget, lack of progress, changes in the environment, new evidence, etc.)?	3	No
Q 4.10	If circumstances did warrant questioning the viability of a project/programme/grant scheme was the project subjected to adequate examination?	N/A	
Q 4.11	If costs increased or there were other significant changes to the project was approval received from the Approving Authority?	3	Grant approval received
Q 4.12	Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	2	No

**Checklist 5: To be completed in respect of current expenditure programmes incurring expenditure in the year under review.**

	<b>Incurring Current Expenditure</b>	<b>Self-Assessed Compliance Rating: 1 -3</b>	<b>Comment/Action Required</b>
Q 5.1	Are there clear objectives for all areas of current expenditure?	3	Spending program defined as part of the annual budget process
Q 5.2	Are outputs well defined?	3	National KPIs are in place for Local Government
Q 5.3	Are outputs quantified on a regular basis?	3	KPIs are established each year for specific services
Q 5.4	Is there a method for monitoring efficiency on an ongoing basis?	3	Budget performance and monitoring in place
Q 5.5	Are outcomes well defined?	3	The Annual Service Delivery Plan enhances this measurement
Q 5.6	Are outcomes quantified on a regular basis?	1	No
Q 5.7	Are unit costings compiled for performance monitoring?	1	No
Q 5.8	Are other data compiled to monitor performance?	2	Yes
Q 5.9	Is there a method for monitoring effectiveness on an ongoing basis?	2	The Annual Service Delivery Plan enhances this measurement
Q 5.10	Has the organisation engaged in any other 'evaluation proofing' of programmes/projects?	2	No

**Checklist 6 – To be completed in respect of capital projects/programmes & capital grant schemes discontinued in the year under review.**

	<b>Capital Expenditure Recently Completed</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
Q 6.1	How many Project Completion Reports were completed in the year under review?	3	Seven completed (Fr. Finn Park, Louth Village, Phase 2; Part V Acquisition units (6 no. Linenfield); The Loakers, Blackrock, Dundalk -3 units; Gort Bui, Drogheda - 50 units; Castletown Road, Dundalk; Termon River, Termonfeckin - 3 units)
Q 6.2	Were lessons learned from Project Completion Reports incorporated into sectoral guidance and disseminated within the Sponsoring Agency and the Approving Authority?	3	Yes
Q 6.3	How many Project Completion Reports were published in the year under review?	2	Projects in defects liability period and work in progress
Q 6.4	How many Ex-Post Evaluations were completed in the year under review?	N/A	
Q 6.5	How many Ex-Post Evaluations were published in the year under review?	N/A	
Q 6.6	Were lessons learned from Ex-Post Evaluation reports incorporated into sectoral guidance and disseminated within the Sponsoring Agency and the Approving Authority?	N/A	
Q 6.7	Were Project Completion Reports and Ex-Post Evaluations carried out by staffing resources independent of project implementation?	2	Completed by project staff
Q 6.8	Were Project Completion Reports and Ex-Post Evaluation Reports for projects over €50m sent to DPER for dissemination?	N/A	

**Checklist 7 – To be completed in respect of current expenditure programmes that reached the end of their planned timeframe during the year or were discontinued.**

	<b>Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
Q 7.1	Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	
Q 7.2	Did those reviews reach conclusions on whether the programmes were efficient?	N/A	
Q 7.3	Did those reviews reach conclusions on whether the programmes were effective?	N/A	
Q 7.4	Have the conclusions reached been taken into account in related areas of expenditure?	N/A	
Q 7.5	Were any programmes discontinued following a review of a current expenditure programme?	N/A	
Q 7.6	Were reviews carried out by staffing resources independent of project implementation?	N/A	
Q 7.7	Were changes made to the organisation's practices in light of lessons learned from reviews?	N/A	

## Appendix 2: In-Depth Check – Quality Assurance

### A. CFRAM, Louth Flood Relief Schemes

#### Section A: Introduction

This introductory section details the headline information on the programme or project in question.

Programme or Project Information	
<b>Name</b>	CFRAM, Louth Flood Relief Schemes
<b>Detail</b>	Flood Relief and Prevention Scheme
<b>Responsible Body</b>	Louth County Council
<b>Current Status</b>	Expenditure being considered
<b>Start Date</b>	2018
<b>End Date</b>	On-going
<b>Overall Cost</b>	€83,000,000

#### Project Description

The CFRAM programme involved detailed engineering analysis and assessment of 300 communities identified in 2012 as being most likely to be impacted by future flooding. The programme provided evidence for a national plan to address flood risk. This included acquiring more evidence to inform planning and development decisions and emergency response planning. The Commissioners of Public Works formally adopted the Flood Risk Management Plans on March 14, 2018. The plans include a total of 118 proposed new flood relief capital projects. The OPW is not able to deliver all of the projects by itself and will need the support of the local authorities (including LCC) to ensure that the programme of investment in flood relief capital works is progressed substantially over the next decade.

**Section B: Evaluation**

**Step 1: Logical Model Mapping**

As part of this In-Depth Check, Crowleys DFK has completed a Programme Logic Model (PLM) for the CFRAM, Louth Flood Relief Schemes. A PLM is a standard evaluation tool and further information on their nature is available in the Public Spending Code.

Objective	Input	Activities	Outputs	Outcomes
<p>The following are the objectives of the project:</p> <ul style="list-style-type: none"> <li>Identify the Emergency response planning for potential flooding.</li> <li>The CFRAM Programme was developed to meet the requirements of the EU Floods Directive and national flood policy. It aims to reduce and manage the risks that floods pose to human health, the environment, cultural heritage and economic activity.</li> </ul>	<p>The primary input of this project is the capital budget allocation amounting to €83,000,000.</p>	<p>The following activities were undertaken for the project:</p> <ul style="list-style-type: none"> <li>Coordination with OPW regarding the implementation of proposed projects in relation to the Flood Risk Management Plans and obtaining the necessary approvals.</li> <li>Conducted a tendering process for the Engineering and Environmental Consultancy Service.</li> <li>Project Management</li> </ul>	<p>To bring forward further feasible proposals for Government’s consideration regarding provision of support and assistance to households and communities. This support would be provided through non-structural flood risk management and mitigation measures (i.e., the works are likely to involve improvement of channel conveyance (maintenance &amp; culvert upgrade), potential storage ponds, and hard defences (walls &amp; embankments)).</p>	<p>Reduction and management of flood risk in Ireland.</p>

**Description of Programme Logic Model**

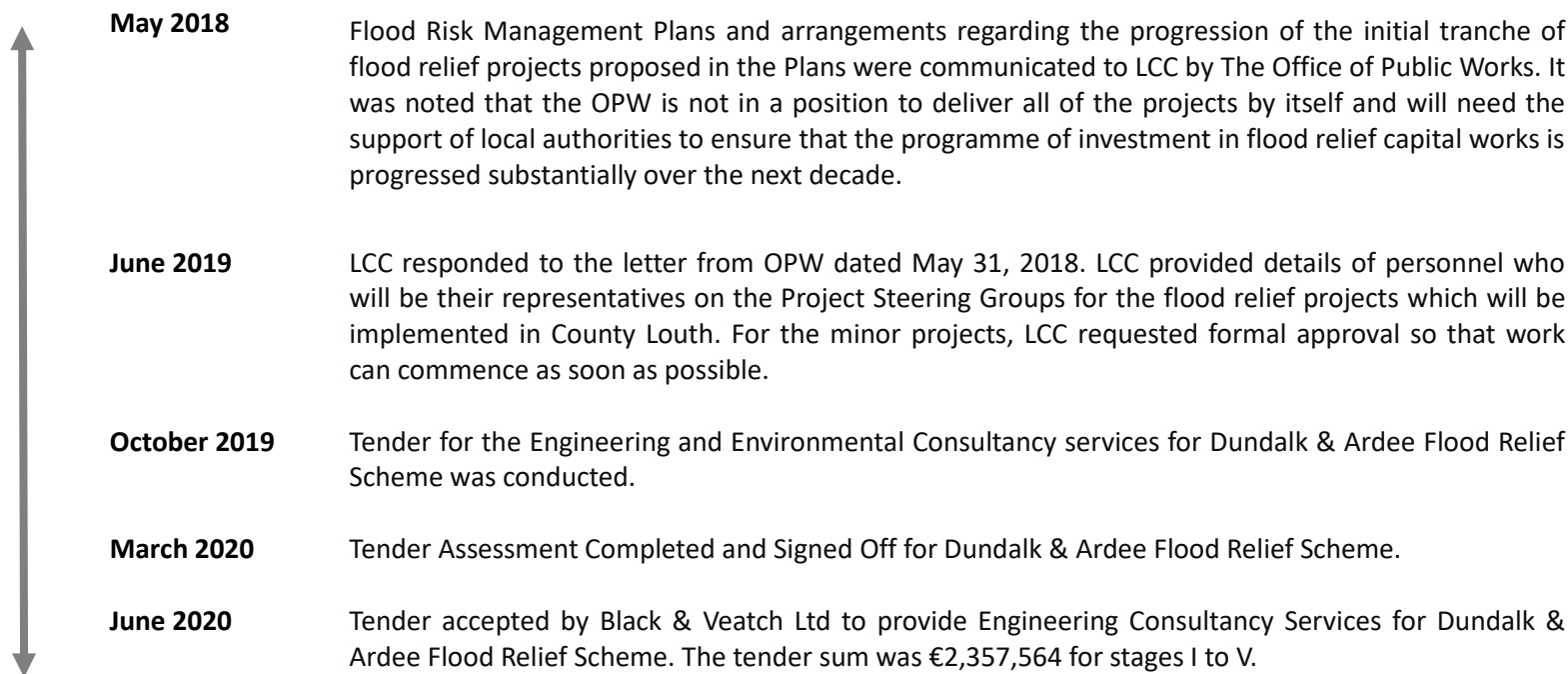
- Objective:* The CFRAM Programme was developed to meet the requirements of the EU Floods Directive and national flood policy. It aims to


reduce and manage the risks that floods pose to human health, the environment, cultural heritage and economic activity.

- *Input:* The primary input to the programme was capital funding of €83,000,000.
- *Activities:* At the time of review, tendering of consultancy services for the two locations is completed.
- *Outputs:* The expected output of this project is the assessment of the mapped areas in Louth in regard to the flood risks. The works are likely to involve improvement of channel conveyance (maintenance & culvert upgrade), potential storage ponds, and hard defences (walls & embankments).
- *Outcomes:* The flood relief schemes aim to provide flood protection for cities, towns and villages.

### Step 2: Summary Timeline of Project/Programme

The following section tracks the CFRAM Louth Flood Project from inception to conclusion in terms of major project/programme milestones



	<b>July 2020</b>	Contract signed between LCC and Consultant for Dundalk & Ardee Flood Relief Scheme.
	<b>December 2020</b>	Tender for the Engineering and Environmental Consultancy services for Drogheda & Baltray Flood Relief Scheme was conducted.
	<b>June 2021</b>	Tender Assessment completed and signed off. Tender accepted by RPS to provide Engineering Consultancy Services for Drogheda & Baltray Flood Relief Scheme. The tender sum was €2,750,875 for stages I to V.
	<b>On-going</b>	<b>On-going</b>

**Step 3: Analysis of Key Documents**

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the CFRAM, Louth Flood Relief Schemes.

Project/Programme Key Documents	
Title ( <i>Note: Indicate the specific name of the document</i> )	Evidence of compliance
Preliminary Business Plan	Project plan overview provided by OPW for the project. The Commissioners of Public Works adopted the Flood Risk Management Plans on 14 <sup>th</sup> March 2018. These plans were approved by the Minister of Public Expenditure and Reform on April 16, 2018, and were launched on May 3, 2018, by the Minister of State for the Office of Public Works and Flood Relief in the presence of An Taoiseach.
Flood Risk Management Plans correspondence letters between OPW and LCC	Documentation of the plan for the implementation of the proposed projects related to Flood Risk Management.
Procurement Documents	Procurement files for the various contracts of the project. OPW guided the process of the project as it is a National Scheme for Flood Prevention. Documents received surrounding tendering and acceptance by OPW for recommended tender.

- **Key Document 1: Preliminary Business Plan**

The Preliminary Business Plan provided by OPW details an overview of the project for the Flood Relief Scheme.

- **Key Document 2: Flood Risk Management Plans correspondence letters between OPW and LCC**

Documentation of the plan for the implementation of the proposed projects related to Flood Risk Management, including request for formal approval from LCC on the minor projects identified by OPW. However, there was no evidence provided on the approval of the €83,000,000 total project lifetime costs as indicated in the project inventory.

As confirmed by the project owner, this amount was obtained from press releases related to the scheme. Based on these press releases, the total funding allocated is €83.55m.

- **Key Document 3: Procurement Documents**

The noted observations upon the review of procurement files in relation to the programme are detailed in **Section 6** of this report.

**Step 4: Data Audit**

The following section details the data audit that was carried out for the CFRAM, Louth Flood Relief Schemes. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Key performance indicators or metrics are met	To evaluate and assess the project objectives	Not Available

**Data Availability and Proposed Next Steps**

There is no formal key performance indicator established at the planning stage of the project to measure the achievement of the objectives and outcomes of the project.

**Step 5: Key Evaluation Questions**

The following section looks at the key evaluation questions for the CFRAM, Louth Flood Relief Schemes based on the findings from the previous sections of this report.

- **Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)**

Based on a review of the information supplied, with the exception of the improvements noted below, the delivery of this project complies with the standards set out in the Public Spending Code.

- **Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?**

There is no evidence of formal approval of the project lifetime expenditure of €83,000,000 on file from the OPW. This amount was obtained from the press releases. Further, we noted that the total amount of funding allocated based on the press release is €83.55m.

There is also no formal key performance indicator established.

- **What improvements are recommended such that future processes and management are enhanced?**

Based on the substantive testing performed for the CFRAM, Louth Flood Relief Schemes, Internal Audit identified that for the 2 procurements reviewed, the evaluation team did not sign a declaration of conflicts of interest prior to the evaluation of the tenders received.

The recommendations for these findings are discussed in detail in **Section 6** of this report.

### **Section C: Summary and Conclusions**

The following section presents a summary of the findings of this In-Depth Check on the CFRAM, Louth Flood Relief Schemes.

#### **Summary of In-Depth Check**

Except for the gaps identified in **Section B (Step 3 Analysis of Key Documents and Step 4 Data Audit)** above, Internal Audit noted substantial compliance with the provisions of the Public Spending Code for the CFRAM, Louth Flood Relief Schemes.

## B. St Dominic’s Bridge

### Section A: Introduction

This introductory section details the headline information on the programme or project in question.

Programme or Project Information	
<b>Name</b>	St Dominic’s Bridge
<b>Detail</b>	Reconstruction of St Dominic’s Bridge
<b>Responsible Body</b>	Louth County Council
<b>Current Status</b>	Per project inventory, the categorisation of this project is “Expenditure being considered”. However, it was noted that works have already started for the reconstruction of the bridge. Thus, the project should be categorised as “Expenditure being incurred”.
<b>Start Date</b>	2018
<b>End Date</b>	On-going
<b>Overall Cost</b>	Per project inventory the projected lifetime expenditure of this project is €1,644,355. However, the approved total project cost, based on the supporting documentations provided during the review, is €3,176,131.56.

### Project Description

The project pertains to the rehabilitation of St Dominic’s Bridge by way of addressing ongoing corrosion issues and replacement of failed structural members. This bridge spans the River Boyne to the west side of Drogheda Town. It provides a vital pedestrian link from the main town and commercial centre to local residential areas.

## Section B: Evaluation

## Step 1: Logical Model Mapping

As part of this In-Depth Check, Crowleys DFK has completed a Programme Logic Model (PLM) for the St Dominic’s Bridge Project. A PLM is a standard evaluation tool and further information on their nature is available in the Public Spending Code.

Objective	Input	Activities	Outputs	Outcomes
The primary objective is to refurbish St. Dominic’s Bridge in order to prolong the service life of the bridge and ensure the serviceability of the structure.	The primary input of this project is the capital budget allocation amounting to €3,176,131.56. The total project cost per project inventory is €1,644,355.	The following activities were undertaken for the project: <ul style="list-style-type: none"> <li>• Appropriate Assessment and Surveys for the project undertaken.</li> <li>• Site investigation &amp; Material Testing.</li> <li>• Procurement Activities</li> <li>• Rehabilitation Works</li> </ul>	Restructuring of St Dominic’s Bridge located on the main channel of the River Boyne, located on the West side of Drogheda.	Refurbishment and strengthening of St Dominic’s Bridge will: <ul style="list-style-type: none"> <li>• prolong the service life of the structure</li> <li>• Improve quality of service to pedestrians and cyclists since the bridge plays a wider role in leisure usage by linking the town centre to the Boyne Greenway into County Meath and to the Battle of the Boyne Visitor Centre</li> <li>• Provides pedestrians and cyclists a dedicated safe link from the more suburban areas of South Drogheda to the Town Centre</li> </ul>

## Description of Programme Logic Model

- *Objective:* The primary objective of the project is to structurally rehabilitate St Dominic’s Bridge by way of addressing ongoing corrosion issues and replacement of failed structural members.
- *Input:* The primary input to the programme was the capital funding of €3,176,131.56. The total project cost per project inventory is €1,644,355.

- **Activities:** There were a number of key activities carried out through the project including the conducting of various surveys for the bridge and awarding of contracts to engineering services and to the main contractor.
- **Outputs:** Having carried out the identified activities using the inputs, the output of the project is the structurally rehabilitated St. Dominic’s Bridge.
- **Outcomes:** Dedicated safe link from the more suburban areas of South Drogheda to the Town Centre for pedestrians and cyclists in the community.

### Step 2: Summary Timeline of Project/Programme

The following section tracks the St Dominic’s Bridge Project from inception to conclusion in terms of major project/programme milestones



<b>September 2018</b>	Preliminary Appraisal for the refurbishment of St. Dominic’s Bridge (funding application) was submitted to DTTaS Roads Division for review. The total preliminary project cost estimate is €1,055,250 (inc. VAT).						
<b>June 2019</b>	A contract notice regarding the procurement of a design team for the rehabilitation works of St. Dominic’s Bridge and Obelisk Bridge was published in the eTenders website.						
<b>November 2019 to January 2020</b>	O’Connor Sutton Cronin was selected through the evaluation of tenders and awarded as the design team for the rehabilitation works of St. Dominic’s Bridge.						
<b>September 2020</b>	In accordance with Section 177AE (4) of the Planning & Development Act 2000, LCC applied for the Refurbishment of St. Dominic’s Bridge to An Bord Pleanala (ABP). ABP requested additional information on February 11, 2021, which was responded to by LCC.						
<b>May 2021</b>	<ul style="list-style-type: none"> <li>• National Transport Authority (NTA) approved the provision of the funding application for the St. Dominic’s Bridge project. The indicative costs of the project approved are as follows:                             <table border="0" style="margin-left: 20px;"> <tr> <td>a) Indicative Overall Total Cost of Project (all phases)</td> <td style="text-align: right;">€1,840,990.56</td> </tr> <tr> <td>b) Funding Sought from NTA (all phases)</td> <td style="text-align: right;">€1,710,990.56</td> </tr> <tr> <td>c) Funding Amount Sought for Current</td> <td style="text-align: right;">€1,200,000.00</td> </tr> </table> </li> </ul>	a) Indicative Overall Total Cost of Project (all phases)	€1,840,990.56	b) Funding Sought from NTA (all phases)	€1,710,990.56	c) Funding Amount Sought for Current	€1,200,000.00
a) Indicative Overall Total Cost of Project (all phases)	€1,840,990.56						
b) Funding Sought from NTA (all phases)	€1,710,990.56						
c) Funding Amount Sought for Current	€1,200,000.00						

	Year							
	d) Cost of project to date	€130,000.00						
	e) NTA contribution	€0.00						
	f) Source of co-funding	None						
	<ul style="list-style-type: none"> <li>A contract notice regarding the procurement of the St Dominic's Bridge Rehabilitation Works was published in the eTenders website.</li> </ul>							
<b>August 2021</b>	<ul style="list-style-type: none"> <li>An Appraisal Report was prepared by OCSC (third party consultant) at the end of Phase 4 (Detailed Design &amp; Tender Process) to secure approval to proceed to Phase 5 (Contract Award, Construction and Implementation). A total project budget has been prepared for the St. Dominic's Bridge Refurbishment Scheme and is based on the Tender Sum submitted by the preferred tenderer. The budget has been calculated as €2,931,725.96 (inc. VAT).</li> <li>NTA approved an allocation increase amounting to €1,335,141 for the St. Dominic's Bridge project. Reason for the adjustment is to uplift costs from estimate cost to tender costs. The summary of the adjusted costs are as follows:                             <table border="0" style="margin-left: 20px;"> <tr> <td>Original Allocation</td> <td>€1,200,000</td> </tr> <tr> <td>Adjustment</td> <td>€1,335,141</td> </tr> <tr> <td>New Allocation</td> <td>€2,535,141</td> </tr> </table> </li> </ul>	Original Allocation	€1,200,000	Adjustment	€1,335,141	New Allocation	€2,535,141	
Original Allocation	€1,200,000							
Adjustment	€1,335,141							
New Allocation	€2,535,141							
<b>October 2021</b>	LCC has accepted Jons Civil Engineering Co., Ltd's (Contractor) tender and signed an agreement to complete the Civil Engineering Works for the refurbishment of St. Dominic's Bridge with an initial amount agreed of €2,233,603.79 ex. VAT.							
<b>February 2022</b>	NTA approved the continuance of funding allocation for the St. Dominic's Bridge project. The cumulative grant funding paid to date is €469,767 and the funding requested for the current year is €2,163,347.							
<b>On-going</b>	<b>On-going refurbishment of St. Dominic's Bridge.</b>							

**Step 3: Analysis of Key Documents**

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the St Dominic’s Bridge Project.

Project/Programme Key Documents	
Title	Evidence of compliance
Preliminary Appraisal Report	The preliminary appraisal report outlines the project team, objectives of the project and problems identified, project options, and total project budget.
Project Grant Application Form	The application seeking provision of funding allocation in respect of the St. Dominic’s Bridge Project was approved by NTA.
Allocation Adjustment Form	The form requesting an allocation increase on the funding allocation was approved by NTA.
Project Funding Continuance Form	The form seeking continuance of the funding allocation in respect of the on-going St. Dominic’s Bridge project was approved by NTA.
St. Dominic’s Bridge Refurbishment Appraisal Report	This Appraisal Report relates to the St. Dominic’s Bridge Refurbishment scheme and has been prepared in accordance with the requirements of the National Transport Authority’s Project Management Guidelines and Cost Management Guidelines
Procurement Documents	Documents include publication of tender, evaluation undertaken, queries and clarifications, tender reports, letters, and evidence of review and approval.

- **Key Document 1: Preliminary Appraisal Report**

The report provides a detailed background of the project and the potential outcome. The report also includes two appendices – Preliminary Multi-Criteria Analysis (Appendix A) and Total Project Budget (Appendix B).

- **Key Document 2: Project Grant Application Form**

The application form was submitted to and approved by the NTA. The application form contains the full description of the works proposed, description of project benefits, consistency with plans, proposed programme for design, tender, construction, monitoring stages, total project costs, and statutory approval status.

- **Key Document 3: Allocation Adjustment Form**

The form was submitted to NTA to request an uplift in costs from estimate cost to tender costs. The increase was appropriately approved by NTA.

- **Key Document 4: Project Funding Continuance Form**

The form was submitted to NTA to seek continuance of the funding allocation for the St. Dominic's Bridge project. This was appropriately approved by NTA.

- **Key Document 5: St. Dominic's Bridge Refurbishment Appraisal Report**

This Appraisal Report was prepared at the end of Phase 4 (Detailed Design & Tender Process) with the intention of securing approval to proceed to Phase 5 (Contract Award, Construction and Implementation).

- **Key Document 6: Procurement Documents**

The noted observations upon the review of procurement files in relation to the programme are detailed in **Section 6** of this report.

**Step 4: Data Audit**

The following section details the data audit that was carried out for the St Dominic’s Bridge Project. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Key performance indicators or metrics are met	To evaluate and assess the project objectives	Not Available

**Data Availability and Proposed Next Steps**

There is no formal key performance indicator established at the planning stage of the project to measure the achievement of the objectives and outcomes of the project.

**Step 5: Key Evaluation Questions**

The following section looks at the key evaluation questions for the St. Dominic’s Bridge Project based on the findings from the previous sections of this report.

- **Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)**

Based on a review of the information supplied, with the exception of the improvements noted below, the delivery of this project complies with the standards set out in the Public Spending Code.

- **Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?**

There is no formal key performance indicator established for the project.

- **What improvements are recommended such that future processes and management are enhanced?**

Based on the substantive testing performed for St. Dominic’s Bridge Project, Internal Audit identified the following observations:

- a) The projected lifetime expenditure in the project inventory of LCC for the St. Dominic’s Bridge project only amounts to €1,644,355. Based on the review performed on the documents provided, the total approved amount of the project to date is €3,176,131.56.
- b) Rehabilitation work on St. Dominic’s Bridge started in November 2021, but the project is still recorded under expenditure being considered.
- c) Signed declaration of conflicts of interests are not available for the evaluation of the design team. The contract award notice for the procurement of the

design team is not published in the eTenders website.

d) Scoresheet signed and dated by the evaluation team is not available for the rehabilitation works.

The recommendations for these findings are discussed in detail in **Section 6** of this report.

### **Section C: Summary and Conclusions**

The following section presents a summary of the findings of this In-Depth Check on the St. Dominic’s Bridge Project.

#### **Summary of In-Depth Check**

Except for gaps identified in **Section A (Current Status and Overall Costs)** and **Section B (Step 3: Analysis of Key Documents and Step 4: Data Audit)** above, Internal Audit noted substantial compliance with the provisions of the Public Spending Code for the St. Dominic’s Bridge Project.

## C. CWF Coxes Regeneration Scheme Phase 2B

### Section A: Introduction

This introductory section details the headline information on the programme or project in question.

Programme or Project Information	
<b>Name</b>	CWF Coxes Regeneration Scheme Phase 2B
<b>Detail</b>	Development of 22 Social Housing Units at Cox's Demesne, Dundalk, Co. Louth
<b>Responsible Body</b>	Louth County Council
<b>Current Status</b>	Expenditure being incurred
<b>Start Date</b>	2015
<b>End Date</b>	Ongoing
<b>Overall Cost</b>	Per project inventory, the projected lifetime expenditure is €6,000,000. However, the total approved project cost is €6,033,693.94.

### Project Description

The project pertains to the construction of 22 no. Social Housing Units at Cox Demesne, Dundalk, Co. Louth.

This is part of the overall "Cox's Demesne Regeneration Scheme: Phase 2B / 2C /2D" under the Rebuilding Ireland – Action Plan for Housing & Homelessness, which aims to increase delivery of social housing. Overall, the Department-approved proposal for LCC is for the construction of 35 new units with estimated cost of €7 million.

## Section B: Evaluation

## Step 1: Logical Model Mapping

As part of this In-Depth Check, Crowleys DFK has completed a Programme Logic Model (PLM) for the CWF Coxes Regeneration Scheme Phase 2B Project. A PLM is a standard evaluation tool and further information on their nature is available in the Public Spending Code.


Objective	Input	Activities	Outputs	Outcomes
The objective of the project is to develop 22 residential units at Cox's Demense, Dundalk, Co. Louth.	The primary input of this project is the overall approved budget of €6,033,693.94. The total project cost per project inventory is €6 million.	<p>The following activities were undertaken for the project:</p> <ul style="list-style-type: none"> <li>• Submission of a proposal in response to the Department's request for the delivery of new social housing units.</li> <li>• Following approval for funding from the Department, the project was submitted in four critical stages in line with the Capital Works Management Framework (CWMF): <ol style="list-style-type: none"> <li>1) Project Approval</li> <li>2) Assess project prior to Statutory Approval</li> <li>3) Approve detailed design and review pre-tender cost check</li> <li>4) Review tender returns in advance of awarding the contract</li> </ol> </li> <li>• Engagement with OGP to procure services of an architectural-led design team to act as Employers Representative (ER), and the appointment thereof.</li> <li>• Tender competition for the construction of the social housing units and the appointment of ML Construction Ltd as Contractor.</li> <li>• Ongoing construction, project reviews and monitoring, meetings, etc.</li> </ul>	<p>Provision of 22 residential units comprising of the following:</p> <ul style="list-style-type: none"> <li>• 4 no. 2 Storey 3 bed units</li> <li>• 2 no. 2 Storey 4 bed units</li> <li>• 2 no. Single Storey 2 bed units</li> <li>• 14 Apartment Units (comprising 6 no. 1 Bed Units and 8 no. 2 Bedroom Units)</li> </ul>	Ramping up delivery of social housing units under the Rebuilding Ireland – Action Plan for Housing & Homelessness (an initiative of the Government of Ireland).

**Description of Programme Logic Model**

- *Objective:* The primary objective of the scheme is the development of 22 social housing units at Cox’s Demense, Dundalk, Co. Louth.
- *Input:* The primary input to the programme was the overall approved budget of €6,033,693.94. The total project cost per project inventory is €6 million.
- *Activities:* The activities include submission of the proposal, submission of the project in four critical stages following approval of the proposal, tender competitions and other related procurement processes undertaken, and the ongoing construction, project reviews and monitoring, meetings, etc.
- *Outputs:* The expected output of this project is the provision of 22 residential units comprising of the following:
  - a) 4 no. 2 Storey 3 bed units
  - b) 2 no. 2 Storey 4 bed units
  - c) 2 no. Single Storey 2 bed units
  - d) 14 no. Apartment Units (comprising 6 no. 1 Bed Units and 8 no. 2 Bedroom Units)
- *Outcomes:*
  - Construction of 22 social housing units at Cox’s Demense, Dundalk, Co. Louth.

**Step 2: Summary Timeline of Project/Programme**

The following section tracks the Cox’s Demesne Regeneration Scheme, Phase 2B Project from inception to conclusion in terms of major project/programme milestones



<b>February 2015</b>	The Department contacted LCC requesting proposals for the delivery of new social housing units under the Department’s Capital building programmes for the period 2015-17.
<b>May 2015</b>	Capital Appraisal of the Regeneration Proposal for new housing units at Cox’s Demesne submitted to the Department of Housing, Planning and Local Government (DHPLG). LCC received approval for design expenditure (Stage 1 Approval).
<b>January 2017</b>	LCC carried out the evaluation of the tenders received for the design services procured.
<b>May 2017</b>	Internal Memo and Chief Executive Order was issued regarding the appointment of Walsh Associates Architects & Project Managers
<b>September 2017</b>	Preliminary budget estimate was approved by DHPLG (Stage 2 Approval)
<b>March 2019</b>	DHPLG Letter to LCC Chief Executive, detailing the Social Housing Targets set for Louth Co. Council.
<b>April 2019</b>	DHPLG approved LCC’s application for Stage 3 approval (approval of detailed design and review pre-tender cost check)
<b>August 2019</b>	Publication of Tender for the “Construction of 22 no. social housing units and associated site development and external works at Cox’s Demesne, Dundalk, Co. Louth.”
<b>December 2019</b>	DHPLG approved LCC’s application for Stage 4 approval (review tender returns in advance of awarding the contract)
<b>March 2020</b>	Internal Memo and Chief Executive Order were issued regarding the appointment of ML Quinn Construction Ltd as Construction Contractor
<b>Ongoing</b>	<b>On-going construction of the social housing units</b>

**Step 3: Analysis of Key Documents**

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the CWF Coxes Regeneration Scheme Phase 2B Project.

<b>Project/Programme Key Documents</b>	
<b>Title</b>	<b>Evidence of compliance</b>
Capital Appraisal (Business Case) Proposal to DHPLG	Not available for review.
DHPLG Stage Submissions and Approval	These pertain to the documentation of the following approvals sought from DHPLG: <ul style="list-style-type: none"> <li>• Stage 1 Approval (Confirm approval for design expenditure)</li> <li>• Stage 2 Submission and Approval (Access project prior to statutory approval)</li> <li>• Stage 3 Submission and Approval (Approve detailed design; review pre-tender cost check)</li> <li>• Stage 4 Submission and Approval (Review tender returns in advance of awarding the contract)</li> </ul>
Preliminary Budget Estimate, including Construction Cost Breakdown	This report is to provide the Project Team with an estimate of the construction cost at September 2017 prices based on current design information, and to assist LCC in their application for funding.
Procurement Documents	Documents include publication of tender, evaluation undertaken, queries and clarifications, tender reports, letters, and evidence of review and approval.
Cost Reports	These are reports issued by the Quantity Surveyors (John J, Casey & Company) for the Employer Representative (Walsh Associates) to account for the approved change order and total project cost.
Project Programme of Works for the Consultants/Contractor	These documents outline the series of work items, their relationship, and the time allocated for their execution i.e., road map to the proposed construction.
Progress Review / Financial & Governance Reports / Monitoring of Targets	These documents collectively report on the status of the ongoing construction of the social housing units. These include the following: <ul style="list-style-type: none"> <li>• Design Team (Walsh Associates) Minutes of Meetings</li> <li>• Contractor (ML Construction) Progress Reports</li> <li>• Housing Capital Project Programme Meeting – reporting on progress/updates</li> </ul>

	<ul style="list-style-type: none"> <li>• Chief Executive Monthly Management Reports for LCC</li> <li>• Sample LCC’s presentation at Quarterly Meetings with the Department</li> <li>• Quarterly LCC and DHLGH Housing Delivery Meetings – review of Rebuilding Ireland Targets and reporting progress/updates of projects</li> <li>• Rebuilding Ireland Pipeline Tracker – LCC Dashboard for monitoring targets</li> <li>• DHLGH Statistical Quarterly Returns</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Key Document 1: Capital Appraisal (Business Case) Proposal to DHPLG</b> Document is not available.</li> <li>• <b>Key Document 2: DHPLG Stage Submissions and Approval</b> This pertains to the documentation of the approvals sought from DHPLG for the different stages of the project (Stage 1 to 4).</li> <li>• <b>Key Document 3: Preliminary Budget Estimate, including Construction Cost Breakdown</b> This is part of the CWMF Stage 2 documentation that provides the Project Team with an estimate of the construction cost and to assist LCC’s application for funding.</li> <li>• <b>Key Document 4: Procurement Documents</b> The noted observations upon the review of procurement files in relation to the programme are detailed in <b>Section 6</b> of this report.</li> <li>• <b>Key Document 5: Cost Reports</b> The Cost Reports are reports issued by the Quantity Surveyors to the Employer Representative. These account for the approved change order and total project cost related to the construction works carried out by ML Construction Ltd.</li> <li>• <b>Key Document 6: Project Programme of Works for the Consultants/Contractor</b> This lays out the series of work items, their relationship, and the time allocated for their execution i.e., road map to the proposed construction.</li> <li>• <b>Key Document 7: Progress Review / Governance Reports / Monitoring of Targets</b> These documents collectively report on the status of the ongoing construction of the social housing units.</li> </ul>	

**Step 4: Data Audit**

The following section details the data audit that was carried out for the CWF Coxes Regeneration Scheme Phase 2B Project. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Project Costs documented in the Cost Reports	To ensure value for money for all construction costs before payments are made to the Contractor	Available on Project File
Project Programme of Works for the Consultants/Contractor	To outline the programme of works, their relationship, and the time allocated for their execution i.e., road map to the proposed construction	Available on Project File
Delivery of 22 social housing units which is monitored in the Progress Review / Financial & Governance Reports and Dashboards	To monitor and assess project delivery	Available on Project File

**Data Availability and Proposed Next Steps**

All data appropriate to the stage of the project are available on file.

**Step 5: Key Evaluation Questions**

The following section looks at the key evaluation questions for CWF Coxes Regeneration Scheme Phase 2B based on the findings from the previous sections of this report.

- **Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)**

Based on a review of the information supplied, with the exception of the improvements noted below, the delivery of this project complies with the standards set out in the Public Spending Code.

- **Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?**

All data appropriate to the stage of the project are available on file.

- **What improvements are recommended such that future processes and management are enhanced?**

Based on the substantive testing performed for CWF Coxes Regeneration Scheme Phase 2B, Internal Audit made the following observations:

- a) The projected lifetime expenditure per the project inventory is €6,000,000, but the total approved project costs is €6,033,693.94.
- b) Capital Appraisal (Business Case) Proposal submitted to DHPLG is not available on file.
- c) For the 2 procurements reviewed, the evaluation team did not sign a declaration of conflicts of interest prior to the evaluation of the tenders received.
- d) The signed public works contract agreement is not dated. This means that we cannot verify whether the contract was signed at an appropriate time.
- e) The evaluation scoresheet for the provision of construction works is not signed and dated by the evaluators. In addition, the evaluation date is not documented in the scoresheet nor in the tender report.

The recommendations for these findings are discussed in detail in **Section 6** of this report.

### Section C: Summary and Conclusions

The following section presents a summary of the findings of this In-Depth Check on the Cox's Demesne Regeneration Scheme, Phase 2B Project.

#### Summary of In-Depth Check

Except for gaps identified in **Section A (Overall Cost)** and **Section B (Step 3: Analysis of Key Documents)** above, Internal Audit noted substantial compliance with the provisions of the Public Spending Code for the CWF Coxes Regeneration Scheme Phase 2B Project.

**D. Operation of Fire Service****Section A: Introduction**

This introductory section details the headline information on the programme or project in question.

<b>Programme or Project Information</b>	
<b>Name</b>	Operation of Fire Service
<b>Detail</b>	Operation of Fire Brigade Service for LCC
<b>Responsible Body</b>	Louth County Council
<b>Current Status</b>	Expenditure being incurred
<b>Start Date</b>	January 2021
<b>End Date</b>	December 2021
<b>Overall Cost</b>	€8,883,505

**Project Description**

Louth County Council operate the Fire Brigade Service for the entirety of County Louth. The service provided is based on the Statutory Plan, made under Section 26 of the Fire Services Act 1981 which was adopted on 21st January 2013, and an Agreement made with Meath County Council, under Section 10 of the Fire Services Act, for the provision of service to parts of East Meath. The operation of fire service is a reserved function of the Council, and the budget is approved each year at a Council Budget Meeting.

**Section B: Evaluation**

**Step 1: Logical Model Mapping**

As part of this In-Depth Check, Crowleys DFK has completed a Programme Logic Model (PLM) for the Operation of Fire Service Project. A PLM is a standard evaluation tool and further information on their nature is available in the Public Spending Code.

Objective	Input	Activities	Outputs	Outcomes
<p>The objective of the project is to provide a fire and emergency service to LCC and coordinated emergency rescue service to certain roads.</p>	<p>The primary input of this project is the capital budget allocation amounting to €8,883,505.</p>	<p>The following activities were undertaken for the project:</p> <ul style="list-style-type: none"> <li>• Trainings (i.e., station drill training, BA Refresher Courses, Emergency Fire Responder Refresher Courses, ESDS Emergency Driving Courses, etc.) were undertaken</li> <li>• Production of new Pre-Fire Plans</li> <li>• Inspection and reporting of hydrants in urban and county areas</li> <li>• Set up of Wildland Forum</li> <li>• Perform inspections to ensure various types of buildings adhere to the fire safety standards</li> </ul>	<p>The outputs of the project are various emergency services programmes and events. These carry out the strategic actions of the Fire and Emergency Operations Plan.</p>	<ul style="list-style-type: none"> <li>• Increase competency of fire crews/staff</li> <li>• Reduce number of gorse fires and forestry fires</li> <li>• Various building types meeting fire safety standards</li> </ul>

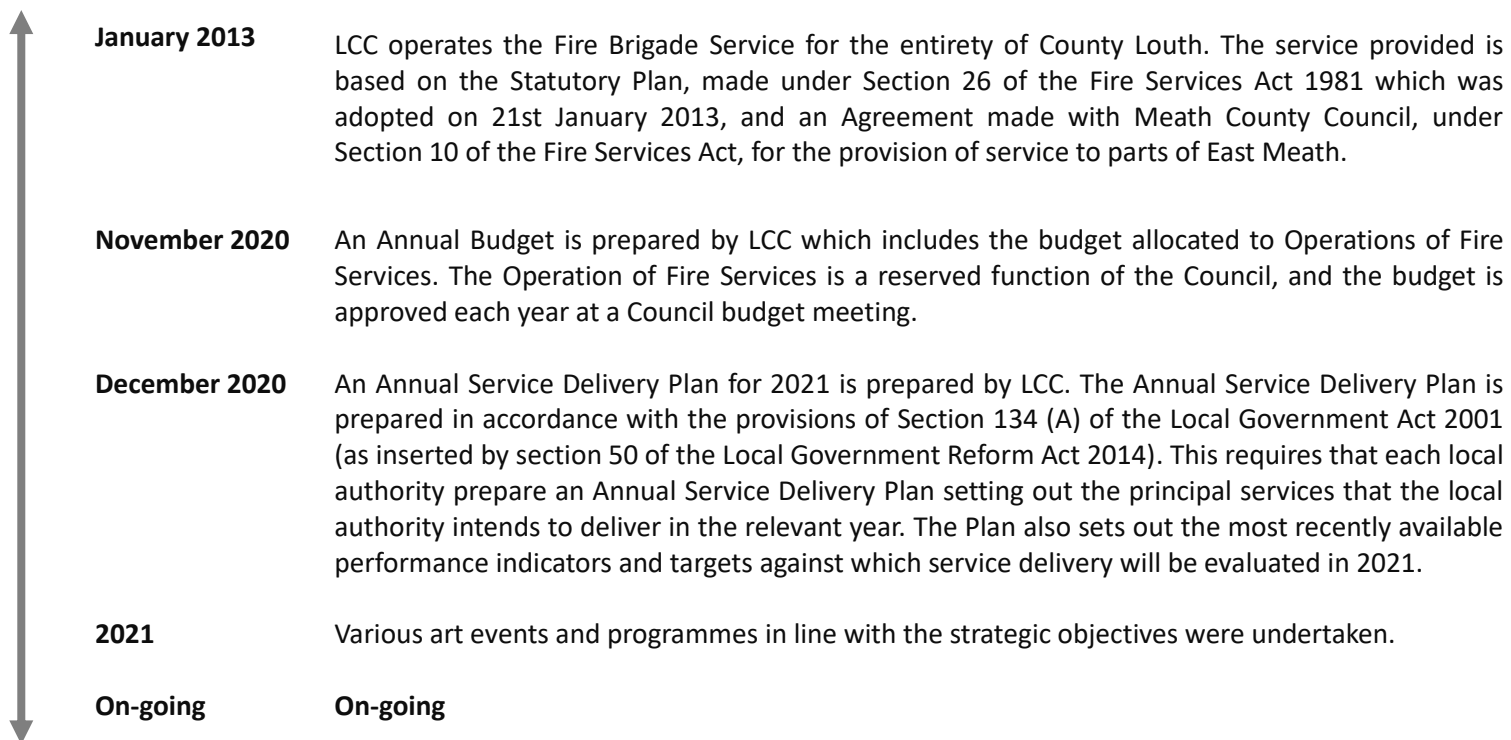
**Description of Programme Logic Model**

- *Objective:* The primary objective of the project is to provide a fire and emergency service to LCC.
- *Input:* The primary input of this project is the capital budget allocation amounting to €8,883,505.

- *Activities:* There were a number of key activities carried out to achieve the defined objectives.
- *Outputs:* Various programmes and events were delivered under this project (i.e., various trainings, Fire Prevention Inspection Programme, etc.).
- *Outcomes:* The outcomes of this project are continuous learning and development and increased competency of fire crew/staff and effective provisioning of fire and emergency services within LCC.

**Step 2: Summary Timeline of Project/Programme**

The following section tracks the Operation of Fire Service Project from inception to conclusion in terms of major project/programme milestones



**Step 3: Analysis of Key Documents**

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Operation of Fire Service Project.

Project/Programme Key Documents	
Title	Evidence of compliance
Fire and Emergency Operations Plan	This plan details the designated operational roles of Louth County Council Fire & Rescue.
Adopted Annual Budget 2021	This adopted budget contains the annual revenue budget for 2021 which includes the budget for the Operation of Fire Services.
LCC Annual Service Delivery Plan	This plan is prepared on an annual basis for each financial year. Its purpose is to identify the services that Louth County Council intends to provide to the public during the year, having regard to best practice in service delivery and the performance standards intended to be met in the delivery of these services.
Procurement documents	Procurement files for the various contracts of the project
LCC Fire & Rescue Annual Statistics Report 2021 and LCC Fire & Rescue Quarterly Statistics	These reports contain the statistics of the unique incident types within station areas and top incident types.
Monthly Management Report	Chief Executive's Monthly Management Report in relation to functions performed in the preceding month.

- **Key Document 1: Fire and Emergency Operations Plan**

This plan details the designated operational roles of Louth County Council Fire & Rescue. It is a legal requirement of the Fire Services Act, 1981, the act under which fire and rescue operations are mandated to fire authorities, to prepare and revise such a plan periodically.

- **Key Document 2: Adopted Annual Budget 2021**

This adopted budget contains the annual revenue budget for 2021. The budget is approved each year at a Council budget meeting and published in the LCC website.

- **Key Document 3: LCC Annual Service Delivery Plan**

The plan is prepared on an annual basis for each financial year. Its purpose is to identify the services that Louth County Council intends to provide to the

public during the year having regard to best practice in service delivery and the performance standards intended to be met in the delivery of these services. The plan takes account of and is consistent with the Budget for 2021, which was adopted by the Members on 19th November 2020. The Plan also sets out the most recently available performance indicators and targets against which service delivery will be evaluated in 2021.

- **Key Document 4: Procurement documents**

Procurement documents including the obtained quotations, evaluation evidence, approval, and contract or purchase order for the purchase.

The recommendations for these findings are discussed in detail in Section 6 of this report

- **Key Document 5: LCC Fire & Rescue Annual Statistics Report 2021 and LCC Fire & Rescue Quarterly Statistics**

These reports contain the statistics of the unique incident types within station areas and top incident types.

- **Key Document 5: Monthly Management Report**

These reports contain high level update on the fire and emergency services.

#### **Step 4: Data Audit**

The following section details the data audit that was carried out for the Operation of Fire Service Project. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

<b>Data Required</b>	<b>Use</b>	<b>Availability</b>
Operate fire service	Maintain and improve on response times	Available
Address retained staffing levels	Achieve optimum manning levels	Not Available

#### **Data Availability and Proposed Next Steps**

An Annual and Quarterly Statistics Report and Monthly Management Reports are prepared and published on LCC’s website to monitor the performance of services provided. However, documentation on the monitoring of the KPI related to the staffing level is not included in the statistics report. There are no other documents provide where this KPI is reviewed to monitor performance.

Additionally, aside from the response times and number of incidents during the year, there is no further documentation available to evidence the monitoring of performance, costings and effectiveness of the Operation of Fire Services (i.e., performance of other activities such as details of trainings conducted, inspections, etc.).

**Step 5: Key Evaluation Questions**

The following section looks at the key evaluation questions for Operation of Fire Service Project based on the findings from the previous sections of this report.

- **Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)**

Based on a review of the information supplied, with the exception of the improvements noted below, the delivery of this project complies with the standards set out in the Public Spending Code.

- **Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?**

Documentation on the monitoring of the KPI related to the staffing level is not included in the statistics report. There are no other documents provide where this KPI is reviewed to monitor performance. Additionally, aside from the response times and number of incidents during the year, there is no further documentation available to evidence the monitoring of performance, costings and effectiveness of the Operation of Fire Services (i.e., performance of other activities such as details of trainings conducted, inspections, etc.).

- **What improvements are recommended such that future processes and management are enhanced?**

Based on the substantive testing performed for Operation of Fire Service Project, Internal Audit identified the following observations:

- a) For 6 procurements, documentation to justify the use of negotiated procedure without prior publication and relevant approvals are not available. There is no evidence to indicate that procurements made to sole suppliers are reviewed and monitored to ensure compliance with Circular 40/02 report.
- b) Procurement records were not made available for review by Internal Audit for 5 sample procurements selected for Operation of Fire Service Revenue Project.

The recommendations for these findings are discussed in detail in **Section 6** of this report.

**Section C: Summary and Conclusions**

The following section presents a summary of the findings of this In-Depth Check on the Operation of Fire Service Project.

**Summary of In-Depth Check**

Except for gaps identified in **Section B (Step 3: Analysis of Key Documents and Step 4: Data Audit)** above, Internal Audit noted substantial compliance with the provisions of the Public Spending Code for the Operation of Fire Services Project.

**E. CAF 50 Turnkey Units at Gort Bui Ballymakenny Road****Section A: Introduction**

This introductory section details the headline information on the programme or project in question.

Programme or Project Information	
<b>Name</b>	CAF 50 Turnkey Units at Gort Bui Ballymakenny Road
<b>Detail</b>	Turnkey Acquisition of Residential development at Gort Bui, Ballymakenny Road
<b>Responsible Body</b>	Louth County Council
<b>Current Status</b>	Completed
<b>Start Date</b>	January 2018
<b>End Date</b>	June 2021
<b>Overall Cost</b>	€14,251,460

**Project Description**

The scheme relates to the Rebuilding Ireland Action Plan for Housing & Homelessness and involves the delivery social housing. This project aims to acquire residential housing units for social housing tenants via turnkey acquisition. The proposal submitted by LCC to the Department of Housing, Planning and Local Government is for a complete residential development of 50 units.

The proposed development was named as "50 units at 'Gort Bui', Ballymakenny Road, Drogheda, Co. Louth

**Section B: Evaluation**

**Step 1: Logical Model Mapping**

As part of this In-Depth Check, CrowleysDFK have completed a Programme Logic Model (PLM) for the CAF 50 Turnkey Units at Gort Bui Ballymakenny Road Project. A PLM is a standard evaluation tool and further information on their nature is available in the Public Spending Code.

Objective	Input	Activities	Outputs	Outcomes
<p>The objective of the CAF 50 Turnkey Units at Gort Bui Ballymakenny Road is to provide 50 residential houses via Turnkey acquisition.</p> <p>The scheme is comprised of 8 house types and it is planned to be delivered in 5 phases.</p>	<p>The primary input to the programme was the capital funding of €14,251,460 provided by the Department of Housing, Planning and Local Government.</p>	<p>The following activities were undertaken for the project:</p> <ul style="list-style-type: none"> <li>• Advertisement of the expression of interest.</li> <li>• Evaluations of proposals received from the advertisement.</li> <li>• Discussions and negotiations between LCC and Developers</li> <li>• Submission of the capital appraisal - turnkey proposal to DHPLG</li> <li>• Building surveyor inspections</li> <li>• Acquisition of the 50 houses</li> <li>• Performance of the post project review</li> </ul>	<p>Acquisition of 50 housing units at Gort Bui Ballymakenny Road Co. Louth for social housing tenants.</p>	<p>To accelerate the provision of social housing units to the social housing tenants under the Rebuilding Ireland Action Plan for Housing &amp; Homelessness - National Plan.</p>


**Description of Programme Logic Model**

- *Objective:* The objective of the scheme is to acquire 50 new housing units with a mix of 2, 3 & 4 bedrooms for the social housing tenants.
- *Input:* The primary input to the programme was capital funding of €14,251,460 which was provided for by the Department of Housing, Planning and Local Government.
- *Activities:* There were a number of key activities carried out through the scheme including the advertisement of a turnkey expression of interest and subsequent evaluation of the received proposals, discussions and negotiations with the developer for the unit cost, submission of the business case to the DHPLG for approval, inspection survey of the housing units before the execution of turnover, and performance of the post project review.

- *Outputs:* The output of the scheme is the acquisition of the 50 housing units via turnkey acquisition.
- *Outcomes:* The envisaged outcome of the scheme was to accelerate the provision of social housing to the social housing tenants, as part of working to address the needs of homeless people and families under the Rebuilding Ireland Action Plan for Housing & Homelessness - National Plan.

**Step 2: Summary Timeline of Project/Programme**

The following section tracks the CAF 50 Turnkey Units at Gort Bui Ballymakenny Road Project from inception to conclusion in terms of major project/programme milestones



<b>January 2018</b>	A Turnkey expression of interest advertisement was placed in newspapers and on Louth County Council website.
<b>June - October 2019</b>	Following the evaluation of the received turnkey proposal, discussions regarding the cost of units were held between LCC and the Developer.
<b>October 2019</b>	Valuation of the property is sent to the Lawlor Burns & Associates (Chartered Quantity Surveyors) to assess the all-in turnkey and construction cost.
<b>December 2019</b>	The capital appraisal for the turnkey proposal was submitted to DHPLG. Approval for the capital funding was obtained from DHPLG.
<b>October 2020</b>	Provision of 50 new housing units in 5 Phases: Phase 1: 13 units Phase 2: 9 units Phase 3: 10 units Phase 4: 10 units Phase 5: 8 units
<b>November 2020</b>	
<b>February 2021</b>	
<b>March 2021</b>	
<b>May 2021</b>	
	The post project review was performed.

**Step 3: Analysis of Key Documents**

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the CAF 50 Turnkey Units at Gort Bui Ballymakenny Road Project.

<b>Project/Programme Key Documents</b>	
<b>Title</b>	<b>Evidence of compliance</b>
DHPLG Circular 31/2019 - Social Housing Capital Investment	Evidence of arrangements for the Provision by Local Authorities of Social Housing through Turnkey Projects.
Quantity Surveyor Report on Turnkey Acquisition Costs	An Assessment Report from Lawlor Burns & Associates (Chartered Quantity Surveyors) to assess the all-in turnkey and construction cost following negotiation with the Developer was provided.
Capital Appraisal Turnkey Proposal to DHPLG	A Business Plan was developed by Louth County Council and submitted to the DHPLG for approval. The proposal includes evidence of social housing needs in the area, details of notice and evaluation of turnkey proposals received, plans and site layout, independent valuation, cost & VFM valuation, indicative programme delivery & phasing, and local authority recommendation.
Internal Memorandum - Re: CAF 50 Turnkey Units at Gort Bui Ballymakenny Road	A memo issued by LCC's Senior Executive Engineer detailing the payment, outstanding balances and status update of each phase was provided.
Progress Review Reports	Progress reports and reviews for the following areas were provided: <ul style="list-style-type: none"> <li>• Housing Capital Projects Programme Meeting - reporting progress/updates</li> <li>• Housing Section Heads Meeting - reporting progress/updates</li> <li>• Chief Executive Monthly Management Reports - for Council</li> <li>• Quarterly LCC &amp; DHLGH Housing Delivery Meetings - review of Rebuilding Ireland Targets and reporting progress / updates of projects</li> <li>• Presentation by the LCC at Quarterly Meetings with DHLGH</li> </ul>
Snag List Reports	Reports on the result of inspections conducted by the building surveyor prior to turnover of housing units' keys and execution of the building agreement and payment were provided.
Post Project Review Report	Report on the result of post project review conducted after the completion of the scheme was provided.

- **Key Document 1: DHPLG Circular 31/2019 - Social Housing Capital Investment**

The Circular provides guidance on the provision of social housing via Turnkeys and the requirements in respect of a Capital Funding Application to the DHPLG which served as the strategic assessment for the scheme.

- **Key Document 2: Quantity Surveyor Report on Turnkey Acquisition Costs**

The Cost Reports provide details of discussions and negotiations with the Developer. It also includes necessary details for the evaluation of the unit cost.

- **Key Document 3: Capital Appraisal Turnkey Proposal to DHPLG**

The Business Case submitted to the DHPLG did not include KPIs that will be used as performance measures for the project at its completion stage.

- **Key Document 4: Internal Memorandum - Re: CAF 50 Turnkey Units at Gort Bui Ballymakenny Road**

The Memo circulated for each Phase of the project provides clear summaries of the project status, details of payments made and outstanding balances.

- **Key Document 5: Progress Review Reports**

Progress reports reviewed provide clear updates and affirm the status of the project

- **Key Document 6: Snag List Reports**

The Snag List Report for each project phase includes itemised works to be addressed / completed by the Developer. These reports were checked by the building surveyor prior to turnover of the housing units.

- **Key Document 7: Post Project Review Report**

The Post Project Review Report included the summary of the project, performance measures (i.e., Quality, Programme, Budget, Contract Management, Health & Safety, Communications), issues occurred, and governance & reporting requirements for the project. However, gaps were noted on the performed review. Refer to Section 7 for the detailed findings.

**Step 4: Data Audit**

The following section details the data audit that was carried out for the CAF 50 Turnkey Units at Gort Bui Ballymakenny Road Project. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Quantity Surveyor Report	To verify the consideration of value for money on the proposed cost per house unit	Available on Project File
Survey reports	To evaluate the assessment performed for the checking of the building quality	Available on Project File
Progress Reports	To monitor and assess programme delivery and contracts management	Available on Project File
Financial Reports	To analyse and monitor project budget	Available on Project File
Key performance indicators or metrics are met	To evaluate and assess that project objectives	Not Available

**Data Availability and Proposed Next Steps**

There is no formal key performance indicator established at the planning stage of the project to measure the achievement of the objectives and outcomes of the project. All other data appropriate to the stage of the project are available on file.

**Step 5: Key Evaluation Questions**

The following section looks at the key evaluation questions for CAF 50 Turnkey Units at Gort Bui Ballymakenny Road Project based on the findings from the previous sections of this report.

- **Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)**

Based on a review of the information supplied, with the exception of the improvements noted below, the delivery of this project complies with the standards set out in the Public Spending Code.

- **Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?**

There is no formal key performance indicator established at the planning stage of the project. All other data appropriate to the current stage of this project is available on file.

- **What improvements are recommended such that future processes and management are enhanced?**

Based on the substantive testing performed for CAF 50 Turnkey Units at Gort Bui Ballymakenny Road Project, Internal Audit identified the following observations:

- a) The Post Project Review Report is not dated
- b) The Post Project Review was conducted in May 2021 after the completion of the project. The review was submitted to the Department on June 1, 2022, after identification of Internal Audit.

The recommendations for these findings are discussed in detail in **Section 6** of this report.

### Section C: Summary and Conclusions

The following section presents a summary of the findings of this In-Depth Check on the CAF 50 Turnkey Units at Gort Bui Ballymakenny Road Project.

#### Summary of In-Depth Check

Except for gaps identified in **Section B (Step 4: Data Audit)** above, Internal Audit noted substantial compliance with the provisions of the Public Spending Code for the CAF 50 Turnkey Units at Gort Bui Ballymakenny Road Project.

# Contacts

## **Public Sector and Government Services**

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