

**Public Spending Code
Quality Assurance Report for 2014
Louth County Council**

**To be submitted to
National Oversight and Audit Commission (NOAC)**

October 2015

Certificate

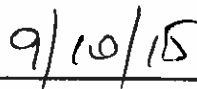
This Annual Quality Assurance Report sets out Louth County Council's approach to completing the Quality Assurance requirements as set out in the Public Spending Code. It is based on the best financial, organisational and performance related information available across the various areas of responsibility.

Signature of Accounting Officer:



Joan Martin
Chief Executive
Louth County Council

Date:



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Introduction

Louth County Council has completed the Quality Assurance (QA) requirements as set out in the Public Spending Code and the purpose of this report is to present the results of each of the 5 Steps in the QA exercise and to report on compliance with the requirements of the Public Spending Code as established during this exercise.

2014 is the first 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.

The Public Spending Code was written specifically with Government Departments in mind and some of the terminology is very specific to that sector. In order to inform the QA exercise for the Local Government Sector a Guidance Note was developed for the sector to assist in providing interpretations from a Local Government perspective.

Requirements of the Quality Assurance Aspect of the Public Spending Code

The Quality Assurance obligation involves a **5 step** process as follows:

- **Step 1** - Drawing up inventories of projects/programmes at the different stages of the Project Life Cycle that have a total Project Life Cost of €500k or more.
- **Step 2** - Publishing summary information on the organisation's website of all procurements in excess of €10m, related to projects in progress or completed in the year under review. (The PSC originally required projects in excess of €2m to be published under this requirement but this has now been changed to €10m) A new project may become a "project in progress" during the year under review if the procurement process is completed and a contract is signed.
- **Step 3** - Completing the 7 checklists contained in the PSC. Only one of each checklist per Local Authority is required. Checklists are not required for each project/programme.
- **Step 4** - Carrying out a more in-depth check on a small number of selected projects/programmes based on criteria established within the Public Spending Code.
- **Step 5** - Completing a short summary report for the National Oversight and Audit Commission (NOAC). The report, which will be generated as a matter of course through compliance with steps 1-4 set out above.

STEP 1 – Project Inventory

The project inventory presents a list of all projects/programmes with 2014 activity and which have a total project life cost of €500,000 or more. The inventory is presented in three stages as set out in the attached table which also outlines the Expenditure Category/Band relevant for inclusion in each stage:

Project/Programme Stage		Category/Band
1	Expenditure being considered	Capital Projects between €0.5m - €5m
		Capital Projects between €5m - €20m
		Capital Projects over €20m
		Current Expenditure programme - Increases over €0.5m
2	Expenditure being incurred	Capital Projects greater than €0.5m
		Current Expenditure greater than €0.5m
3	Expenditure that has recently ended	Capital Projects greater than €0.5m
		Current Expenditure greater than €0.5m

The Project inventory, set out in the format described above, is included in Appendix A. [Appendix A – Inventory of Projects and Programmes Over €0.5m - 2014](#)

The Inventory contains 78 Projects under the three stages and comprise a total value of €461.5m. The following table provides 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.

Project Numbers	Revenue Expenditure			Capital Expenditure			Totals
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	
Expenditure Being considered	0	0	0	12	2	2	16
Expenditure Being Incurred	43	4	0	9	3	2	61
Expenditure recently ended	0	0	0	0	1	0	1
Totals	43	4	0	21	6	4	78

Project Total Values	Revenue Expenditure			Capital Expenditure			Totals
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	
	€M	€M	€M	€M	€M	€M	€M
Expenditure Being considered	0	0	0	22.8	18.9	167.0	208.7
Expenditure Being Incurred	61.0	34.1	0	14.7	29.6	106.4	245.8
Expenditure recently ended	0	0	0	0	7.0	0	7.0
Totals	61.0	34.1	0	37.5	55.5	273.4	461.5

*In 2014 our three year capital programme was based on items being considered. A major review of our Capital programme is ongoing at present and the programme to be brought to council as part of the 2016 budget will be considerably smaller.

STEP 2 - Summary of Procurements in excess of €10m

Louth Co. Council has one procurement project with a procurement value of €10m or more for the 2014 financial year.

In compliance with the requirement to publish all procurements in excess of €10m on our website we confirm that have published same on our website.

STEP 3 - Checklists

Step three of the Quality Assurance procedure for the Public Spending Code involves the compilation of a number of checklists. There are 7 checklists in all. Checklist 1 captures general information while Checklists 2, 4 and 6 related to capital projects and checklists 3, 5 and 7 are Revenue Expenditure related.

The Checklists are informed by the Project Inventory and the following table outlines the approach taken for the completion of the Checklists

Checklist Completion aligned with Project Inventory	
Expenditure Type	Checklist to be completed
General Obligations	General Obligations - Checklist 1
A. Expenditure being considered	Capital Projects/Programmes - Checklist 2 Current Expenditure – Checklist 3
B. Expenditure being incurred	Capital Projects/Programmes – Checklist 4 Current Expenditure – Checklist 5
C. Expenditure that has recently ended	Capital Projects/Programmes – Checklist 6 Current Expenditure – Checklist 7

All checklists as outlined below have been completed and can be found in [Appendix B](#) of this document.

1. [General Obligations Not Specific to Individual Projects/Programmes.](#)
2. [Capital Projects or Capital Grant Schemes Being Considered.](#)
3. [Current Expenditure Being Considered](#)
4. [Capital Expenditure Being Incurred](#)
5. [Current Expenditure Being Incurred](#)
6. [Capital Expenditure Completed](#)
7. [Current Expenditure Completed](#)

Findings on Completion of Checklists

While the responses included in the Checklist indicate a satisfactory level of compliance there are indications that there is room for improvement in certain aspects of the requirements. However, no specific serious issues/concerns were evident during the completion of this element of the QA exercise.

STEP 4 - In-Depth review of a sample number of projects

Step 4 of the Quality Assurance Process involved the examining a sample selection of projects included on the Project Inventory to test the standard of practices in use and compliance with the Public Spending Code within the organisation.

Internal Audit In-Depth Checks

The Procurement Officer of Louth County Council was assigned the task of completing the In-depth check. The approach taken was to select one project from the inventory.

The In-depth review has been completed and the project selected was Ballymakenny Post Primary School. The level of compliance and number of recommendations on this project is summarised in the following table:

Project Reviewed	Compliance	Total Recommendations
Ballymakenny Post Primary School	Satisfactory	0

A formal report on the In-depth review has been completed and submitted to the Management Team within Louth Council. There is a general sense of satisfactory compliance with the Public Spending Code.

Conclusion

This report has set out all the requirements of the Quality Assurance aspect of the Public Spending Code.

- A Project Inventory has been prepared outlining the various projects/programmes – capital and revenue that were being considered, being incurred or recently completed by Louth County Council within the 2014 financial year.
- The relevant publication in relation to procurements over €10m has been placed on Louth County Council's website.
- The 7 checklists required to be completed under the terms of the Public Spending Code Quality Assurance requirement have been completed and provide reasonable assurance that there is satisfactory compliance with the Public Spending Code. The level of compliance reported would suggest there are elements of the expenditure life cycle that could be improved but nothing of a serious nature was highlighted during this compliance exercise.
- An in-depth review of the sample project contained in the Project inventory has been completed subject to time constraints and further confirmed that there is, in general, satisfactory compliance with the requirements of the Public Spending Code. One project was examined.
- The final step of the QA exercise, as required under the Public Spending Code, is the compilation and publication of a summary report outlining the Quality Assurance Exercise undertaken by Louth Co Council. The contents of this report provide an overview on the QA exercise completed which has been certified by the Accounting Officer, Chief Executive.

Overall the QA exercise has provided reasonable assurance to the management of Louth County Council that the requirements of the Public Spending Code are being met.

The Public Spending Code has only been recently introduced to the Local Government Sector. The results of the 2014 QA are satisfactory.

The development of specific guidance in relation to the QA requirements from a local government perspective and the experience gained by staff completing the exercise for the 2014 projects will enhance the process for future years.

Appendix A – Inventory of Projects and Programmes Over €0.5m - 2014

Louth County Council

2014 Inventory of Projects and Programmes over €0.5m

The following contains an inventory of Expenditure on Projects/Programmes with a value above €0.5m, categorised by Expenditure being considered, Expenditure being incurred and Expenditure recently ended. Only projects with Total Project Expenditure matching these criteria are included in the Inventory table

Expenditure Being Considered					
Project/ Programme Description	Revenue Expenditure			Capital Expenditure	
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m
Projects of total value					Over €20m
Housing Programme					
Mell Phase II				€3.6m	
Roads Service Programme					
Dundalk Western Infrastructure route					€142.0m
Cavan / Dundalk R178 (* = no funding)					€25.0m
N52 Mapastown Bridge (*)				€2.0m	
N52 Stephenstown to M1 (*)					€6.0m
St Dominicks Bridge Refurbishment				€0.5m	
Hill Street Junction				€1.2m	
VMS - Verbal Message Signs?				€0.5m	
Surface Water Scheme				€1.5m	
Greenway Routes				€4.5m	
Ash Walk to N52 - Ardee Master Plan (*)				€0.8m	
Ardee By Pass					€12.9m
N53 Barronstown to HBX				€2.6m	
N2 Blakestown Cross				€1.7m	
Other Projects					
8 Classroom Primary School at Ardee				€2.8m	
Carlingford Library				€1.1m	

Expenditure Being Incurred

Project/ Programme Description	Revenue Expenditure	Capital Expenditure
Projects of total value	€0.5m - €5m	€0.5m - €5m
	€5m - €20m	€5m - €20m
	Over €20m	Over €20m
Housing Programme		
Mell Phase I (50 houses)		€9.0m
Regeneration Works Scheme Coxs Demense		€8.4m
Moneymore Build to Lease - 5 CAS Units		€0.7m

Expenditure Being Incurred

Project/ Programme Description	Revenue Expenditure	Capital Expenditure
Projects of total value	€0.5m - €5m	€0.5m - €5m
	€5m - €20m	€5m - €20m
	Over €20m	Over €20m
A01 Maintenance/Improvement LA Housing	€6.4m	
A02 Housing Assessment, Allocation and Transfer	€0.7m	
A03 Housing Rent & TP Administration	€0.9m	
A04 Housing Community Development Support	€0.6m	
A05 Admnitration of Homeless Service	€1.2m	
A06 Support to Housing Capital Prog.	€1.8m	
A07 RAS Programme	€3.5m	
A08 Housing Loans Programme	€1.5m	
A09 Housing Grants	€1.7m	
Roads Programme		
Drumleck to Castlebellingham (Station Road)		€0.7m
N52 Realignment Design & Construction		€2.0m
Narrow Water Bridge Project		€56.4m
Port Access Northern Cross Route		€50.0m
Greenway Cycle Route		€0.9m
Bellurgan Embankment Improvement Works		€2.3m

Project/ Programme Description	Revenue Expenditure		Capital Expenditure		
Projects of total value	€0.5m - €5m	€5m - €20m	€0.5m - €5m	€5m - €20m	Over €20m
B02 NS Road - Maintenance and Improvement	€0.6m				
B03 Regional Roads – Maintenance & Improvement	€2.7m				
B04 Local Road – Maintenance & Improvement		€9.3m			
B05 Public Lighting	€1.9m				
B06 Traffic Management Improvement	€0.5m				
B07 Road Safety Engineering Improvement	€0.7m				
B09 Maintenance & Management of Car Parking	€1.0m				
B10 Support to Roads Capital Programme	€0.5m				
B11 Agency & Recoupable Services	€0.8m				
Post Primary School Ballymakenny New Build				€12.2m	
Water Services Programme					
Water Conservation Phase 3			€2.7m		
C01 Water Supply	€4.1m				
C02 Waste Water Treatment	€2.6m				
C03 Collection of Water and Waste Water Charges	€0.5m				
C06 Support to Water Capital Programme	€0.7m				
Development Management					
D01 Forward Planning	€1.3m				
D02 Development Management – Planning	€1.7m				
D03 Enforcement	€0.6m				
D06 Community and Enterprise Function	€0.7m				
D07 Unfinished Housing Estates	€0.9m				
D09 Economic Development & Promotion	€3.1m				
Environmental Services Programme					
Whiteriver Landfill Site - Development of Phase V			€1.2m		
Landfill Renewable Energy Project & Ancillary Works			€3.0m		
E01 Landfill Operation and Aftercare	€0.9m				
E02 op & Mctce of Recovery & Recycling Facilities	€0.5m				
E05 Litter Management	€1.1m				

Project/ Programme Description	Revenue Expenditure	€5m - €20m	Over €20m	Capital Expenditure	€0.5m - €5m	€5m - €20m	Over €20m
Projects of total value	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	Over €20m
E06 Street Cleaning	€1.7m						
E07 Waste Regulations, Monitoring and Enforcement	€0.6m						
E09 Maintenance and Upkeep of Burial Grounds	€0.7m						
E11 Operation of Fire Services		€8.4m					
E13 Water Quality, Air, Noise Pollution	€1.1m						
Recreation and Amenity					€1.2m		
Redevelopment of Sports Centre 2012							
F02 Operation of Library & Archive Services	€3.1m						
F03 Outdoor Leisure Areas Operations	€1.2m						
F04 Community, Sports & Recreation Development	€1.1m						
Recreation and Amenity							
F05 Operation of Arts Programme	€1.8m						
Agriculture, Education, Health & Welfare							
G04 Veterinary Service	€0.6m						
G05 Educational Support Services	€2.4m						
Miscellaneous Services							
H01 Profit & Loss Machinery Account	€1.3m						
H03 Administration of Rates		€10.0m					
H09 Local Representation/Civic Leadership	€1.4m						
H10 Motor Taxation	€1.1m						
H11 Agency & Recoupable Services	€3.6m						
Expenditure Recently Ended							
Project/ Programme Description	Revenue Expenditure	€5m - €20m	Over €20m	Capital Expenditure	€0.5m - €5m	€5m - €20m	Over €20m
Projects of total value	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	Over €20m
Housing Programme							
Seafield Road (35) (IPS)						€7.0m	

Appendix B – Checklists of Compliance

Checklist 1

General Obligations not specific to Individual Projects or Programmes

Checklist 1 – To be completed by All Local Authorities

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Does the Local Authority ensure, on an ongoing basis that appropriate people within the Local Authority and in its agencies are aware of the requirements of the Public Spending Code?	3	2014 is the first year of the PSC in Local Government and all relevant staff & agencies have been notified of their obligations under the PSC
Has there been participation by relevant staff in external training on the Public Spending Code (i.e. DPER)	N/A	No Training provided for Local Government sector to date.
Has Internal training on the Public Spending Code been provided to relevant staff?	2	2014 is first year of PSC and training needs, if any, have yet to be identified. Guidance document has been developed and circulated
Has the Public Spending Code been adapted for the type of project/programme that your Local Authority is responsible for? i.e. have adapted guidelines been developed?	4	Yes. A guidance document has been developed for the QA adapting the PSC to Local Government structures and approach.
Has the Local Authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	N/A	No Projects relevant to the PSC
Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Local Authority and to your agencies?	N/A	2014 is the first year of the QA exercise in the Local Government sector
Have recommendations from previous Quality Assurance exercises been acted upon?	N/A	2014 is the first year of the QA requirement in Local Government
Has an annual Public Spending Code Quality Assurance Report been submitted to the National Oversight and Audit Commission (NOAC)?	4	Yes – Report submitted
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process?	4	Required Sample reviewed
Has the Accounting Officer signed off on the information to be published to the website?	4	Yes. CE has signed off
Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant		

Checklist 2 – Capital Expenditure Being Considered

Checklist 2: – to be completed in respect of capital projects or capital programme/grant scheme that is or was under consideration in the past year.

Capital Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Was a Preliminary Appraisal undertaken for all projects > €5m	N/A	The only projects listed at this level are under the direction of other bodies who complete the appraisal.
Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	3	Yes. In conjunction with the relevant government body/agency.
Was a CBA/CEA completed for all projects exceeding €20m?	N/A	The only projects listed at this level are under the direction of other bodies who complete the appraisal.
Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes. In conjunction with the relevant government body/agency.
Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the Planning and Design Phase (e.g. procurement)?	4	Required to secure Grants
If a CBA/CEA was required was it submitted to the CEEU for their view?	N/A	The only projects listed at this level are under the direction of other bodies who complete the appraisal.
Were the NDFA Consulted for projects costing more than €20m?	N/A	The only projects listed at this level are under the direction of other bodies who complete the appraisal.
Were all projects that went forward for tender in line with the Approval in Principle and if not was the detailed appraisal revisited and a fresh Approval in Principle granted?	4	Tenders were in line with approvals.
Was approval granted to proceed to tender?	4	Yes
Were Procurement Rules complied with?	4	Yes
Were State Aid rules checked for all supports?		N/A in Local Government
Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?		Yes
Were Performance Indicators specified for each project/programme which will allow for the evaluation of its efficiency and effectiveness?		No
Have steps been put in place to gather the Performance Indicator data?		No
Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant		

Checklist 3 – Current Expenditure Being Considered

Checklist 3: – New Current expenditure or expansion of existing current expenditure under consideration

Current Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Were objectives clearly set?	N/A	No programmes relevant to PSC in 2014
Are objectives measurable in quantitative terms?	N/A	No programmes relevant to PSC in 2014
Was an appropriate appraisal method used?	N/A	No programmes relevant to PSC in 2014
Was a business case incorporating financial and economic appraisal prepared for new current expenditure?	N/A	No programmes relevant to PSC in 2014
Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	N/A	No programmes relevant to PSC in 2014
Was the required approval granted?	N/A	No programmes relevant to PSC in 2014
Has a sunset clause been set?	N/A	No programmes relevant to PSC in 2014
Has a date been set for the pilot and its evaluation?	N/A	No programmes relevant to PSC in 2014
Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	No programmes relevant to PSC in 2014
If outsourcing was involved were Procurement Rules complied with?	N/A	No programmes relevant to PSC in 2014
Were Performance Indicators specified for each new current expenditure proposal or expansion of existing current expenditure which will allow for the evaluation of its efficiency and effectiveness?	N/A	No programmes relevant to PSC in 2014
Have steps been put in place to gather the Performance Indicator	N/A	No programmes relevant to PSC in 2014
Self-Assessed Ratings:		
0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant		

Checklist 4 – Incurring Capital Expenditure

Checklist 4: - Complete if your organisation had capital projects/programmes that were incurring expenditure during the year under review.

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	3	Yes where appropriate
Did management boards/steering committees meet regularly as agreed?	3	Yes where appropriate
Were Programme Co-ordinators appointed to co-ordinate implementation?	2	Internal Co-ordinating Team in place in most cases.
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	3	Internal Co-ordinating Team in place in most cases.
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	2	Progress Reports were prepared in most cases
Did the project keep within its financial budget and its time schedule?	3	In most cases
Did budgets have to be adjusted?		Yes. Up and down.
Were decisions on changes to budgets/time schedules made promptly?	3	Yes
Did circumstances ever warrant questioning the viability of the project and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence)		No
If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination?		N/A
If costs increased was approval received from the Sanctioning Authority?	4	Yes. This would be a requirement for grant approval
Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?		No
For significant projects were quarterly reports on progress submitted to the MAC (Management Team) and to the Minister?	4	Updates are provided to the MT and Council on a monthly basis and to relevant bodies periodically, as required.
Self-Assessed Ratings:		
0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant		

Checklist 5 - Incurring Current Expenditure

Checklist 5: - For Current Expenditure

Incurring Current Expenditure	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Are there clear objectives for all areas of current expenditure?	4	Yes. Spending Programme Defined as part of the Annual Budget process.
Are outputs well defined?	3	National KPIs are in place for Local Government
Are outputs quantified on a regular basis?	3	KPIs are established each year for specific services
Is there a method for monitoring efficiency on an ongoing basis?	3	Yes Budget performance and monitoring is in place.
Are outcomes well defined?	3	The development of the Annual Service Plans will enhance this measurement
Are outcomes quantified on a regular basis?	3	The development of the Annual Service Plans will enhance this measurement
Is there a method for monitoring effectiveness on an ongoing basis?	3	Yes. Spending Programme defined as part of the Annual Budget process.
How many formal VFMs/FPAs or other evaluations been completed in the year under review?		National KPIs are in place for Local Government
Is there an annual process in plan to plan for new VFMs, FPAs and evaluations?		Not clear of relevance to Local Government. VFM reviews are completed
Have all VFMs/FPAs been published in a timely manner?		Not clear of relevance to Local Government
Is there a process to follow up on the recommendations of previous VPMs/FPAs and other evaluations?		Not clear of relevance to Local Government
How have the recommendations of VFMs, FPAs and other evaluations informed resource allocation decisions?		Not clear of relevance to Local Government
Self-Assessed Ratings:		
0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 - 100% Compliant		

Checklist 6 - Capital Expenditure Completed

Checklist 6: - to be completed if capital projects were completed during the year or if capital programmes/grant schemes matured or were discontinued.

Capital Expenditure Completed	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
How many post-project reviews were completed in the year under review?		Only one completed project recorded for 2014 inventory
Was a post project review completed for all projects/programmes exceeding €20m?		N/A
If sufficient time has not elapsed to allow a proper assessment of benefits has a post project review been scheduled for a future date?		N/A
Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?		N/A
Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?		N/A
Was project review carried out by staffing resources independent of project implementation?		N/A
Self-Assessed Ratings:		
0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 - 100% Compliant		

Checklist 7 – Current Expenditure at end of planned timeframe or discontinued

Checklist 7: - to be completed if current expenditure programmes that reached the end of their planned timeframe during the year or were discontinued.

Current Expenditure that (i) reached the end of its planned timeframe or (ii) Was discontinued	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Were reviews carried out of, current expenditure programmes that matured during the year or were discontinued?	N/A	No programmes relevant to PSC in 2014
Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes relevant to PSC in 2014
Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes relevant to PSC in 2014
Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No programmes relevant to PSC in 2014
Were any programmes discontinued following a review of a current expenditure programme?	N/A	No programmes relevant to PSC in 2014
Was the review commenced and completed within a period of 6 months?	N/A	No programmes relevant to PSC in 2014
Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant		

Notes:

- (a) The scoring mechanism for the above tables is set out below@
 - I. Scope for significant improvements = a score of 1
 - II. Compliant but with some improvement necessary = a score of 2
 - III. Broadly Compliant = a score of 3

- (b) For some questions, the scoring mechanism is not always strictly relevant. In these cases, it is appropriate to mark as N/A and provide the required information in the commentary box as appropriate.

- (c) The focus should be on providing descriptive and contextual information to frame the compliance ratings and to address the issues raised for each question. It is also important to provide summary details of key analytical outputs for those questions which address compliance with appraisal/evaluation requirements i.e. the annual number of CBAs, VFMs/FPAs and post project reviews.

LOUTH COUNTY COUNCIL

PUBLIC SPENDING CODE 2014 REPORT

SECTION 4 REVIEW

October 2015

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1. Introduction and Summary of Findings

1.1 Introduction

This review is required under section 4 of the Quality Assurance provisions contained in The Public Spending Code: Expenditure Planning, Appraisal and Evaluation in the Irish Public Service – Standard Rules & Procedures. Having completed Section 3 of the Quality Assurance provisions involving high level checklists that capture various areas of compliance, review work on one project was carried out by the Procurement Officer and Financial Account of the Council in September and October 2015. Due to the time constraints of carrying out this work our audit has been limited.

1.2 Sample Selection

The Public Spending Code requires that at least 5% of the total value (lifetime costs) of all projects in the inventory is subject to closer examination each year. However to allow flexibility the minimum of 5% can be achieved as an average over a three year period as per page 34 of the Public Spending Code. Due to the response time constraints only 2.7% of total project inventory was subject to closer inspection for the 2014 report. The project that was subject to closer examination was:

Ballymakenny Post Primary School

1.3 Purpose, Objective and Scope

In-depth checks are outlined in the Public Spending Code. It involves an assessment of the quality of the work which was carried out. It looks in more detail at the quality of the appraisal, it examines how the project was managed, and it looks at post-project reviews. A judgement has to be made as to whether the initial decision to go ahead with the project was soundly based and whether the project was well managed during implementation. The purpose of the review is to provide an independent opinion on compliance with the Public Spending Code for the project selected.

The scope of the audit included a review of compliance with the Public Spending Code for the above project. There was scope limitations as the project is still ongoing.

1.4 Summary

Given the outcome of the review detailed below it is our opinion that there is, overall, **Satisfactory** (see Appendix 1) compliance with the Public Spending Code within Louth County Council.

2. New Build 1000 Pupil Post Primary School Ballymakenny

2.1 Project Overview

Circa 2010 the Department of Education and Skills liaised with Local Authorities around the country to try and speed up the process of building new schools due to the increased demand for schools. This meant that the local authority would acquire the site, get through the planning stage (Part 8) and deal with all issues such as traffic and become the procurer for all elements of design and construction. The LA had spare capacity as a result of monies not being available for the construction of social housing. A service level agreement was signed in January 2012 between Louth County Council and the Department of Education and Skills for the construction of the 1000 pupil post primary school in Ballymakenny with Louth County Council acting as Project Executive.

On 23rd January 2012 the Department of Education and Skills granted approval to proceed with the project and to the procurement and appointment of the Design Team with a maximum budget cost of €13,180,000.

Tender documents were issued via www.etenders.gov.ie and OJEU for the establishment of an Architectural Led Design Team Services including (i) Architect, Project Manager, & PSDP (ii) Structural / Civil Engineer & (iii) Mechanical & Electrical / Building on 19th June 2012 with a closing date for receipt of completed tenders at 12 noon on 30th July 2012. This deadline was extended to 12 noon on 7th August 2012.

Seventeen tender responses were received by the deadline of 12 noon on 7th August 2012. There were no late tenders. Tender Opening Committee consisted of Cllr. Finian McCoy (Cathlaoireach), Paul Kelly (Project Manager) and Grainne Fogarty (Clerical Officer).

The Suitability Assessment Questionnaire and Tender Return Documents were assessed from 8th to 10th August 2012 by Mr. Eamon Walsh (Retired Director of Services and Chairperson of the Review Panel), Paul Gallagher (Retired Senior Executive Engineer, Louth County Council), Peter McVeigh (Senior Executive Engineer, Dundalk Town Council) and Jillian Geraghty (A/Senior Executive Architect, South Dublin County Council). Eight tenders were assessed as compliant for admission to the framework. A letter of intent was issued to Coady Partnership Architects on 14th August 2012 together with letters to the unsuccessful candidates. No appeals submitted during the standstill period. Approval from the Director of Services on 11th September 2012 received to award the contract to Coady partnership Architects in the amount of €437,354 ex VAT. A letter of acceptance was issued in August 2012. The three year framework agreement was executed on 10th September 2012.

Coady Partnership Architect appointed at PSDP as per letter of acceptance.
OLM Consultancy appointed as Health and Safety Coordinator
DBFL Consulting Engineers – Structural / Civil Engineers
Builders Design Partnership (BDP) – Mechanical Electrical / Building Services
In November 2012 BDP and DBFL signed a collateral warranty with Louth County Council.

We reviewed www.etenders.gov.ie together with electronic documents and can confirm that the advertisements were in accordance with EU Procurement guidelines.

Tender documents were issued via eTenders.gov.ie and OJEU with Louth County Council acting as Project Executive for the Department of Education and Skills (DES) wish to appoint a competent and experienced building contractor with mechanical and electrical works capacity and experience to construct and complete all necessary works to deliver on programme a Post Primary School located at Ballymakenny Road Drogheda, County Louth, Ireland on 3rd April 2013 with a closing date for receipt of PQQ at 12 noon on 3rd May 2013. The restricted procedure was used and the deadline for receipt of the suitability questionnaire was 12 noon on 3rd May 2013.

Sixteen PQQ responses were received by the deadline of 3rd May 2013. The Tender Opening Committee consisted of Cllr. Finian McCoy (Cathlaoireach), Donal Clarke (Senior Executive Engineer) and Paddy Drumgoole (Senior Staff Officer) on 7th May 2013.

The PQQs were assessed from 7th to 9th May 2013 by Mr. Eamon Walsh (Retired Director of Services and Chairperson of the Review Panel), Stephen Carter (Coady Partnership Architect) and Willie Walsh (Senior Executive Officer, Louth County Council). Seven members were recommended for inclusion on the shortlist for the tender / bid stage.

Approval sought from Department of Education and Skills to proceed to tender with the shortlist of candidates on 12th July 2013. Letters issued to successful candidates for inclusion with the shortlist for future contract tenders on 12th July 2013.

The closing date for receipt of tender documents from the seven candidates was initially 12 noon on 16th July 2013. This was extended to 5.00 pm on 3rd October 2013.

Six tender responses were received by the deadline of 3rd October 2013. Tender Opening Committee consisted of Cllr. Declan Breathnach (Cathlaoireach), Mark McArdle (Technician I) and Willie Walsh (Senior Executive Officer) on 8th October 2013.

The following job code has been used in Agresso in relation to this project:

115491 Post Primary School Ballymakenny New Build

2.2 Audit Evidence

Framework Agreement for Appointment of Architecturally Led Design Team

Preliminary Design Report & Scope of Works

Invoices from O'Hare McGovern Ltd. the main contractor certified by the Senior Executive Engineer and invoices from Coady Partnership Architects and Austin Reddy & Company, both certified by the Senior Executive Engineer.

Files for tender of contractor, tender report, letters of appointment and acceptance of appointment, letters of regret to unsuccessful applicants, letter of approval from the Department and Manger's/Chief Executives orders.

Objectives and findings:

The objectives of the scheme were clearly and formally defined as per documentation received from Dept. of Education and Skills and the Design reports received from Coady Partnership Architects. There was a planned / proposed scale on which the needs were met. There were additional requirements resulting from the Part 8 planning process re traffic safety.

The estimate of the total construction costs was €12,330,080 incl. VAT with a total maximum budget of €13,800,000 incl. VAT. The project is in the 'Project being incurred' category.

As the project was under €20m category and in fact just over the €10m category Cost Benefit Analysis was not carried out by Louth County Council as the benefit was to the Department of Education and Skills and therefore there was no identification of risks associated with the project.

Project Brief:

The Preliminary Design Report detailed the objectives and the project cost estimates.

Planning & Design:

The design of the project was contained in the preliminary design report prepared by Coady Partnership Architect.

Pre-tender review:

Planning permission – Part 8 (Planning & Development Regulations) was adopted by the Councillors at a special council meeting on 7th May 2013.

Implementation:

A project Manager was appointed at the start of the project but was subsequently replaced upon his secondment to another body.

Post Implementation:

Post project review wasn't completed as the project hasn't been completed.

2.3 Recommendations:

Post project review hasn't taken place as the project is not yet completed. A post project review should take place for this and all capital projects once they reach conclusion.

2.3 Audit Opinion

This opinion was informed by a review of the records above and by discussions held with staff involved with this project. It is clear that the initial decision to go ahead with the project was based on the MOU with CCMA which was subsequently developed through an SLA between Louth County Council and the Department of Education and Skills. The project provides **Satisfactory** (see appendix 1) that there is compliance with the Public Spending Code.

Fiona Downes, Procurement Officer

Brian Lynch, Financial Accountant

Louth County Council

6th October 2015.

Appendix 1

Audit Assurance Categories and Criteria

ASSURANCE CATEGORY	ASSURANCE CRITERIA	
SUBSTANTIAL	Evaluation Opinion:	There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved.
	Testing Opinion:	The controls are being consistently applied.
SATISFACTORY	Evaluation Opinion:	There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance.
	Testing Opinion:	There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
LIMITED	Evaluation Opinion:	There is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing Opinion:	The level of non compliance puts the system objectives at risk.
UNACCEPTABLE	Evaluation Opinion:	The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing Opinion:	Significant non-compliance with the basic controls leaves the system open to error or abuse.