

Public Spending Code
Quality Assurance Report for 2015
Longford County Council

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

May 2016

Certificate

This Annual Quality Assurance Report sets out Longford 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:



Barbara Heslin

**Acting Chief Executive
Longford County Council**

Date:

31st May 2016

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Introduction

Longford 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.

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

This section presents the project inventories of Longford County Council which amount to in excess of €500,000. 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 - 2015](#)

The Inventory contains 38 Projects under the three stages and comprises a total value of €55.4m. 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				5			5
Expenditure Being Incurred	23	1		2			26
Expenditure recently ended				6	1		7
Totals	23	1		13	1		38

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				5.359			5.359
Expenditure Being Incurred	26.382	5.368		2.211			33.961
Expenditure recently ended				6.593	9.48		16.073
Totals	26.382	5.368		14.163	9.48		55.393

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

For 2015 Longford Co Council have reported no projects in this category.

Therefore there was no requirement to publish same on our website this year.

The Quality Assurance Report for 2015 can also be found at the link below.

http://www.longfordcoco.ie/coco_fin_docs.html?fldId=3196

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. Checklists 2, 4 and 6 are capital related checklists while 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 Expenditure Being Considered – Appraisal and Approval.](#)
3. [Current Expenditure Being Considered – Appraisal and Approval](#)
4. [Incurring Capital Expenditure](#)
5. [Incurring Current Expenditure](#)
6. [Capital Expenditure Completed](#)
7. [Current Expenditure that \(i\) reached the end of its planned timeframe or \(ii\) was discontinued](#)

Findings on Completion of Checklists

While the responses included in the Checklist indicates 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 project

Step 4 of the Quality Assurance Process involved examining three 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 Internal Audit Unit of Longford County Council was assigned the task of completing the In-depth checks. The approach taken was to select three projects from the inventory.

The In-depth review has been completed and the projects selected were Housing Scheme Church View Lanesboro, Remedial Works Tromra Road Granard and Fire Station Lanesboro. The level of compliance and number of recommendations on these projects is summarised in the following table:

Project Reviewed	Compliance	Total Recommendations
Housing Scheme Church View Lanesboro	Satisfactory	1
Remedial Works Tromra Road Granard	Limited	3
Fire Station Lanesboro	Satisfactory	1

A formal report on the In-depth review has been completed and submitted to the Management Team within Longford County Council. There is a general sense of substantial compliance with the Public Spending Code with specific recommendations which are listed below:

1. Introduce a template format for capital project files bearing in mind details that are required for the Public Spending Code reviews that can be implemented for all capital projects.
2. Project Management training should be provided to all potential Project Managers in order to strive for a best practice PM culture within the organisation.
3. Project appraisals should be completed signed and dated by the individuals that compiled them.
4. Documents required for audit purposes to be kept on file and readily available.
5. Training should be provided to staff on the Public Spending Code to ensure that they are aware of their obligations regarding the PSC.
6. Post project review should take place within two years from the date of completion to confirm if the initial proposed objectives have been achieved, and also lessons learned to be documented and applied to future projects.
7. VFM reviews to be carried out on capital projects by the relevant sections within one year of completion.

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 Longford County Council within the 2015 financial year.
- 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.
- An in-depth review of the three projects contained in the Project inventory has been completed and further confirmed that there is, in general, substantial compliance with the requirements of the Public Spending Code.
- 7 recommendations arose from the review which are listed below:
 1. Introduce a template format for capital project files bearing in mind details that are required for the Public Spending Code reviews that can be implemented for all capital projects.
 2. Project Management training should be provided to all potential Project Managers in order to strive for a best practice PM culture within the organisation.
 3. Project appraisals should be completed signed and dated by the individuals that compiled them.
 4. Documents required for audit purposes to be kept on file and readily available.
 5. Training should be provided to staff on the Public Spending Code to ensure that they are aware of their obligations regarding the PSC.
 6. Post project review should take place within two years from the date of completion to confirm if the initial proposed objectives have been achieved, and also lessons learned to be documented and applied to future projects.
 7. VFM reviews to be carried out on capital projects by the relevant sections within one year of completion.
- 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 Longford County 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 Longford County Council that the requirements of the Public Spending Code are being met.

The Department of Public Expenditure and Reform are holding training workshops for Local Authorities on the Public Spending Code and it is expected that relevant staff will attend these workshops.

It is recognised by the Management Team in Longford County Council that there is room for improvement in this area and this will be a priority focus area throughout 2016.

Appendix A – Inventory of Projects and Programmes Over €0.5m - 2015

Longford County Council

Longford County Council	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current	Capital				> €0.5m			> €0.5m		
	> €0.5m	Capital Grant Schemes > €0.5m	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects
			€0.5 - €5m	€5 - €20m	€20m plus						
Housing & Building											
CAPITAL REPAIRS 2016			€800,000								
DISABLED GRANTS 2016			€739,247								
HOUSES CHURCHVIEW LONGFORD			€2,000,000								
OPD's LANESBORO			€700,000								
BALLYMAHON OPD's								€785,020			
CAPITAL REPAIRS 2015											€794,403
DISABLED GRANTS											€626,806
REMEDIAL WORKS TROMRA ROAD GRANARD											€1,624,441
A01 MAINTENANCE & IMPROVEMENT OF LA HOUSING UNITS						€2,151,644					
A03 HOUSING RENT AND TENANT PURCHASE ADMINISTRATION						€769,603					
A06 SUPPORT TO HOUSING CAPITAL PROG.						€690,135					
A07 RAS PROGRAMME						€1,446,272					
A08 HOUSING LOANS						€724,902					
Road Transportation and Safety											
BRIDGE STRENGTHENING								€1,425,891			
2014/2015 N5 CARTRONLEBAGH											€971,670

Longford County Council	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current	Capital				> €0.5m			> €0.5m		
	> €0.5m	Capital Grant Schemes > €0.5m	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects
			€0.5 - €5m	€5 - €20m	€20m plus						
2014/2015 N4 LACKEN PAVEMENT PHASE 1											€1,522,451
B01 NP ROAD - MAINTENANCE AND IMPROVEMENT						€883,043					
B02 NS ROAD - MAINTENANCE AND IMPROVEMENT						€1,944,001					
B03 REGIONAL ROAD - MAINTENANCE AND IMPROVEMENT						€1,662,021					
B04 LOCAL ROAD - MAINTENANCE AND IMPROVEMENT						€5,368,139					
B05 PUBLIC LIGHTING						€749,036					
B09 CAR PARKING						€788,228					
Water Services											
5 VILLAGES SEWERAGE SCHEME DBO CONTRACT											€9,479,894
C01 WATER SUPPLY						€2,336,137					
C02 WASTE WATER TREATMENT						€1,386,312					
C07 AGENCY & RECOUPABLE SERVICES						€580,462					
Development Management											
D01 FORWARD PLANNING						€502,564					
D02 DEVELOPMENT MANAGEMENT						€699,499					
D09 ECONOMIC DEVELOPMENT AND PROMOTION						€833,206					
D12 AGENCY & RECOUPABLE SERVICES						€720,779					

Longford County Council	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current > €0.5m	Capital				> €0.5m			> €0.5m		
		Capital Grant Schemes > €0.5m	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects
			€0.5 - €5m	€5 - €20m	€20m plus						
Environmental Services											
E05 LITTER MANAGEMENT						€552,936					
E07 WASTE REGULATIONS, MONITORING AND ENFORCEMENT						€517,191					
E11 OPERATION OF FIRE SERVICE						€2,061,488					
PURCHASE OF FIRE ENGINES FOR FOUR LOCAL AUTHORITIES			€1,120,000								
FIRE STATION LANESBORO											€1,053,710
Recreation and Amenity											
F02 OPERATION OF LIBRARY AND ARCHIVAL SERVICE						€1,643,726					
Miscellaneous Services											
H03 ADMINISTRATION OF RATES						€2,065,196					
H09 LOCAL REPRESENTATION & CIVIC LEADERSHIP						€673,445					
Totals	€0	€0	€5,359,247	€0	€0	€31,749,964	€0	€2,210,911	€0	€0	€16,073,375
Summary Totals					€5,359,247			€33,960,875			€16,073,375
Overall Totals											€55,393,498

Appendix B – Checklists of Compliance

Checklist 1:– to be completed by all Local Authorities

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 1 - 3	Discussion/Action Required
Does the Local Authority ensure, on an ongoing basis that appropriate people within the authority and in its agencies are aware of the requirements of the Public Spending Code?	3	Relevant Staff are aware of the requirements of the PSC through circularisation of information. Formal Training to be provided in 2016.
Has there been participation by relevant staff in external training on the Public Spending Code? (i.e. DPER)	1	Training is only currently being rolled out within the sector and it is expected that staff will engage with this training.
Has internal training on the Public Spending Code been provided to relevant staff?	1	Relevant Staff are aware of the requirements of the PSC through circularisation of information. Formal Training to be provided in 2016.
Has the Public Spending Code been adapted for the type of project/programme that your authority is responsible for? i.e. have adapted sectoral guidelines been developed?	3	A guidance document has been developed for the QA adapting the PSC to Local Government structures & 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 project 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?	1	As part of the training mentioned above 2014 & 2015 recommendations will be disseminated to the Senior Officers Group.
Have recommendations from previous Quality Assurance exercises been acted upon?	1	As above. Recommendations will be acted upon as part of this.
Has an annual Public Spending Code Quality Assurance Report been submitted to NOAC (National Oversight and Audit Commission)?	3	Yes
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	3	Yes
Has the Chief Executive signed off on the information to be published to the website?	3	Yes

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: 1 - 3	Comment/Action Required
Was a Preliminary Appraisal undertaken for all projects > €5m	N/A	
Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	2	Action as per Recommendations No's.1-7
Was a CBA/CEA completed for all projects exceeding €20m?	N/A	
Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	
Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the Planning and Design Phase (e.g. procurement)?	3	
If a CBA/CEA was required was it submitted to DPER(CEEU) for their views?	N/A	
Were the NDFA Consulted for projects costing more than €20m?	N/A	
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?	3	Went ahead as approved
Was approval granted to proceed to tender?	1	Some projects have not yet progressed to tender stage.
Were Procurement Rules complied with?	2	Procurement Compliance is a Management Team priority area for 2016
Were State Aid rules checked for all supports?	N/A	N/A for Local Authorities
Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	

Capital Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Were Performance Indicators specified for each project/programme that will allow for the evaluation of its efficiency and effectiveness?	N/A	
Have steps been put in place to gather Performance Indicator data?	N/A	

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

Current Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Were objectives clearly set?	N/A	No new current expenditure
Are objectives measurable in quantitative terms?	N/A	No new current expenditure
Was an appropriate appraisal method used?	N/A	No new current expenditure
Was a business case incorporating financial and economic appraisal prepared for new current expenditure?	N/A	No new current expenditure
Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	N/A	No new current expenditure
Was the required approval granted?	N/A	No new current expenditure
Has a sunset clause been set?	N/A	No new current expenditure
Has a date been set for the pilot and its evaluation?	N/A	No new current expenditure
Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	No new current expenditure
If outsourcing was involved were Procurement Rules complied with?	N/A	No new current expenditure
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 new current expenditure
Have steps been put in place to gather Performance Indicator data?	N/A	No new current expenditure

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

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	3	
Did management boards/steering committees meet regularly as agreed?	3	
Were Programme Co-ordinators appointed to co-ordinate implementation?	3	
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	3	
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	2	Action as per Recommendations No's.1-7. Project Management Discipline, Monitoring, Review & Reporting a priority area for Management Team in 2016.
Did the project keep within its financial budget and its time schedule?	1	
Did budgets have to be adjusted?	Yes	This reflected the changes in scope in some Budgets throughout the Project Life Cycle.
Were decisions on changes to budgets / time schedules made promptly?	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?	N/A	Costs not increased yet as project in conciliation.

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
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 and to the relevant Department?	3	Reported through TII structures.

Checklist 5: - For Current Expenditure

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
Are there clear objectives for all areas of current expenditure?	3	
Are outputs well defined?	3	
Are outputs quantified on a regular basis?	3	
Is there a method for monitoring efficiency on an ongoing basis?	3	
Are outcomes well defined?	3	
Are outcomes quantified on a regular basis?	3	
Are unit costings compiled for performance monitoring?	3	
Is there a method for monitoring effectiveness on an ongoing basis?	2	
Is there an annual process in place to plan for new VFMs, FPAs and evaluations?		Not clear of relevance to Local Government. Sectoral VFM reviews are completed.
How many formal VFMs/FPAs or other evaluations have been completed in the year under review?		Not clear of relevance to Local Government.
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 VFMs/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.

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: 1 - 3	Comment/Action Required
How many post project reviews were completed in the year under review?	3	3 No. Completed
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?	Yes	
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	
Were project reviews carried out by staffing resources independent of project implementation?	No.	

Checklist 7: - to be completed if current expenditure programmes 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: 1 - 3	Comment/Action Required
Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	None relevant to PSC in 2015
Did those reviews reach conclusions on whether the programmes were effective?	N/A	None relevant to PSC in 2015
Did those reviews reach conclusions on whether the programmes were efficient?	N/A	None relevant to PSC in 2015
Have the conclusions reached been taken into account in related areas of expenditure?	N/A	None relevant to PSC in 2015
Were any programmes discontinued following a review of a current expenditure programme?	N/A	None relevant to PSC in 2015
Was the review commenced and completed within a period of 6 months?	N/A	None relevant to PSC in 2015

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.