

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

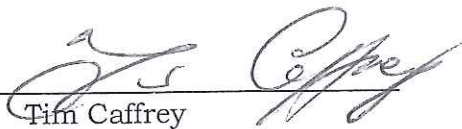
**To be submitted to
National Oversight and Audit Commission (NOAC)**

September 2015

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:


Tim Caffrey

Chief Executive

Longford County Council

Date:


29/9/15

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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.

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

This section presents the project inventories of Longford County Council which amount to an 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 - 2014](#)

The Inventory contains 37 Projects under the three stages and comprise a total value of €54.4m. 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	0	0	0	3	0	0	3
Expenditure Being Incurred	24	1	0	5	1	0	31
Expenditure recently ended	0	0	0	3	0	0	3
Totals	24	1	0	11	1	0	37

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	2.3	0	0	2.3
Expenditure Being Incurred	27.5	5.5	0	6.5	10.5	0	50.0
Expenditure recently ended	0	0	0	2.1	0	0	2.1
Totals	27.5	5.5	0	10.9	10.5	0	54.4

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

For 2014 Longford Co Council have reported no projects in this category. The requirement relates to Procurements over €10m rather than Project Costs. Therefore while the project inventory reports on 1 project over €10m there is no single procurement within this project that meets the reporting requirement in Step 2 of the QA process.

Therefore there was no requirement to publish same on our website this year but the need arise it will be available at:

http://www.longfordcoco.ie/coco_fin_docs.html

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 1, 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 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 one project 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 check. The approach taken was to select one project from the inventory.

The In-depth review has been completed and the project selected was N5 Cartronlebagh Pavement Strengthening. The level of compliance and number of recommendations on this project is summarised in the following table:

Project Reviewed	Compliance	Total Recommendations
N5 Cartronlebagh Pavement Strengthening	Satisfactory	2

A formal report on the In-depth review has been completed and submitted to the Management Team within Longford Council. There is a general sense of satisfactory compliance with the Public Spending Code with just 2 specific recommendations which are listed below:

1. A specific Project Manager should be appointed.
2. A post project review should take place for all capital projects once they reach conclusion.

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 2014 financial year.
- The relevant publication in relation to procurements over €10m will be placed on Longford County Council's website if applicable.
- 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 sample project contained in the Project inventory has been completed and further confirmed that there is, in general, satisfactory compliance with the requirements of the Public Spending Code. One project was examined and only two recommendations arose from the review relating to Project Manager and post project review.
- 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 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 Longford Co 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

Longford 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			
Projects of total value	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	
Housing Programme							
Capital Repairs 2015				€0.8m			
Disabled Grants State Amount 80% - 2015				€0.596m			
Ballymahon OPD's				€0.876m			
Expenditure Being Incurred							
Housing Programme							
Remedial Works Tromra Road Granard				€1.622m			
A01 Maintenance/Improvement of LA Housing	€2.02m						
A03 Housing Rent and Tenant Purchase Admin	€1.01m						
A06 Support to Housing Capital & Affordable Prog.	€0.782m						
A07 RAS Programme	€1.633m						
A08 Housing Loans	€0.695m						

Project / Programme Description	Revenue Expenditure			Capital Expenditure		
Projects of total value	€0.5m -€5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m
Roads Programme						
2014/2015 N5 Cartonlebagh				€1.05m		
2014/2015 Bridge Strengthening				€1.23m		
2014/2015 N4 Lacken Pavement Phase 1				€1.58m		
B01 NP Road - Maintenance and Improvement	€6.67m					
B02 NS Road - Maintenance and Improvement	€6.67m					
B03 Regional Road - Maintenance and Improvement	€1.42m					
B04 Local Road - Maintenance and Improvement		€5.56m				
B05 Public Lighting	€0.8m					
B09 Maintenance & Management of Car Parking	€0.856m					
Water Services Programme						
5 VILLAGES SEWERAGE SCHEME - DBO					€10.48m	
C01 Operation and Maintenance of Water Supply	€3.154m					
C02 Operation and Maintenance of Waste Water Treatment	€1.664m					
C07 Agency & Recoupable Services	€0.545m					
Environmental Services Programme						
Fire Station Lanesboro				€1.056m		
E05 Litter Management	€0.550m					
E06 Street Cleaning	€0.552m					
E07 Waste Regulations, Monitoring and Enforcement	€0.565m					
E11 Operation of Fire Service	€2.01m					

Project/ Programme Description	Revenue Expenditure			Capital Expenditure		
Projects of total value	€0.5m -€5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m
Other Programmes						
D02 Development Management	€0.682m					
D09 Economic Development and Promotion	€0.590m					
F02 Operation of Library and Archival Service	€1.603m					
G05 Educational Support Services	€0.502m					
H03 Administration of Rates	€2.424m					
H09 Local Representation/Civic Leadership	€1.243m					
H11 Agency & Recoupable Services	€0.814m					
Expenditure Recently Ended						
Project/ Programme Description	Revenue Expenditure			Capital Expenditure		
Projects of total value	€0.5m -€5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m
Housing Programme						
Capital Repairs 2014				€0.727m		
Disabled Grants State Amount 80% - 2014				€0.532m		
Granard Library				€0.854m		

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?	4	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)	4	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	
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?	N/A	
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?		Projects not yet at tender stage
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?	4	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?	4	Internal Co-ordinating Team in place.
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	4	Internal Co-ordinating Team in place.
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Progress Reports were prepared in most cases
Did the project keep within its financial budget and its time schedule?	4	
Did budgets have to be adjusted?		Yes. Up and down.
Were decisions on changes to budgets/time schedules made promptly?	4	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 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?	2	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 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
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.