Quality Assurance Report for 2014

Meath County Council

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

Certification

This Annual Quality Assurance Report reflects Meath County Council's assessment of compliance with 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 Chief Executive Officer

25th September 2015

Contents

1. Introduction

Meath County Council has completed the Quality Assurance Report as part of it's on-going compliance with the Public Spending Code.

The Quality Assurance procedure aims to gauge the extent to which Meath County Council and it's associated agencies are meeting the obligations set out in the Public Spending Code[1]. The Public Spending Code ensures that the state achieves value for money in the use of all public funds.

The Quality Assurance Process contains five steps:

1. **Compiling inventories of all projects/programmes at different stages of the Project Life Cycle** (appraisal, planning/design, implementation, post implementation). Expenditure is examined under three headings, namely expenditure being considered, expenditure being incurred and expenditure that has recently ended and the inventory includes all projects/programmes above €0.5m.

2. **Publish summary information on the Council's website of all procurements in excess of €10m, whether new, in progress or completed.**

3. **Checklists to be completed in respect of the different stages.** These checklists allow the Council and it's agencies to self-assess their compliance with the code in respect of the checklists which are provided in the PSC document.

4. **Carry out a more in-depth check on a small number of selected projects/programmes.** A number of projects or programmes (at least 5% of the total value of the entire inventory) are selected for closer examination.

5. **Complete a short report for the National Oversight and Audit Commission** which includes an inventory of all projects, the website reference for the publication of procurements above €10m, the completed checklists, the Council's judgement on the adequacy of processes given the findings from the in-depth checks and the Council's proposals to remedy any inadequacies found during the QA process.

This report fulfils the fifth requirement of the QA process for Meath County Council. 2014 is the first year in which the QA process has applied to local authorities. Projects and programmes which predate Circular 13/13[2] were subject to prevailing guidance covering public expenditure, namely the *Department of Finance Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector 2005*.

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[1]Public Spending Code, DPER, http://publicspendingcode.per.gov.ie/

[2]Circular13/13: The Public Spending Code: Expenditure Planning, Appraisal and Evaluation in the Irish Public Services – Standard Rules and Procedures.

2. Expenditure Analysis

2.1 Inventory of Projects/Programmes

This section details the inventory compiled by Meath County Council in accordance with the guidance on the Quality Assurance process. The inventory lists all of the Council's projects and programmes at various stages of the project life cycle which amount to more than €0.5m. This inventory is divided between capital and revenue projects and between three stages:

- Expenditure being considered
- Expenditure being incurred
- Expenditure recently ended

The full inventory can be found in Appendix 1 of this report. As this is the first year that such an inventory is required all Revenue Service Divisions with expenditure greater than €0.5m in 2014 have been included. In future only year on year increases greater than €0.5m will be included. This is in line with the Public Spending Code which confirms that the appraisal requirements do not apply to routine administrative budgets already in place and the focus of the Code is on new or extending current programme expenditure.

In respect of capital projects there were six under consideration (five of which are included under the housing construction programme) and twenty seven which were incurring expenditure. There were no capital projects which had recently ended. All relevant water and sewerage capital projects have been listed including those which transferred to Irish Water in January 2014.

2.2 Published Summary of Procurements

As part of the Quality Assurance process the Council is obliged to publish summary information on our website for all procurements in excess of €10m. There were no procurements in 2014 which exceeded this threshold.

3. Assessment of Compliance

3.1 Checklist Completion: Approach Taken and Results

The third step in the Quality Assurance process involves completing a set of checklists covering all expenditure. The high level checks in Step 3 of the QA process are based on self-assessment by the Council and it's agencies in respect of guidelines set out in the Public Spending Code. There are seven checklists in total:

Checklist 1: General Obligations not specific to individual projects/programmes

Checklist 2: Capital Expenditure being considered

Checklist 3: Current Expenditure being considered

Checklist 4: Capital Expenditure being Incurred

Checklist 5: Current Expenditure being Incurred

Checklist 6: Capital Expenditure Completed

Checklist 7: Current Expenditure Completed

A full set of checklists 1-7 was completed by Meath County Council, copies of which can be found in Appendix 2 of this report. In addition to the self-assessed scoring the answers are accompanied by explanatory comments. Each question in the checklist is judged by a 5 point scale – **0.** Not Done, **1.** < 50% compliant, **2.** 50 – 75 % compliant, **3.** > 75 % compliant or **4.** 100 % compliant.

3.2 Main Issues arising from Checklist Assessment

The completed checklists show the extent to which the Council and it's agencies believe they comply with the Public Spending Code. Overall, the checklists show a satisfactory level of compliance with the Code.

2014 is the first year that the Public Spending Code has been applied to the Local Government sector and all relevant staff and agencies of Meath County Council have been notified of their obligations under the new rules and procedures which are now in place. A guidance document was produced for local authorities by the Finance Committee of the County and City Management Association which should ensure a consistent approach across the local government sector. The focus of the guidance document is on the Quality Assurance element of the PSC. It highlights the basic principles applicable under the PSC and offers a definition of these principles from a local government perspective. The Council, in implementing the Public Spending Code and in producing this report have been guided in large part by this document.

Capital expenditure within the Council is project-based and largely funded through capital grants, development levies and borrowing. The checklist for capital expenditure under consideration suggests satisfactory levels of compliance with the Public Spending Code in regard to the area of appraisal and evaluation.

Current expenditure can be defined as Revenue expenditure which is formally adopted by Council Members each year as part of the statutory budget process. The Public Spending Code confirms that the appraisal requirements do not apply to routine administrative budgets already in place and that the focus of the Code is on new or extending programme expenditure. Only new or extended revenue expenditure to the value of €0.5m or greater is subject to the application of the Code.

For Capital expenditure being incurred (checklist 4) satisfactory levels of compliance are evident in the checklist responses.

There were no Capital projects completed during the year under review (checklist 6).

Only a very small number of responses indicate a compliance level of under 75%. The checklists therefore reveal good levels of adherence to the principals and processes of the Public Spending Code. Responses indicating compliance levels of 2 and under will be followed up and monitored as part of the Quality Assurance process in future years.

3.3 In-Depth Checks

The following section details the in-depth checks which were carried out by the Council as part of the Public Spending Code. The Public Spending Code requires that at least 5% of the total value (lifetime costs) of all projects in the inventory are subject to closer examination and audit each year. The checks which are summarised here represent 6.2% of the Council's overall inventory. Section 4 details how the Council proposes to improve this process in 2015. Most local authorities in the country only started work on the quality assurance requirements of the Public Spending Code following the issuing of the guidance document by the Finance Committee of the County and City Management Association in July 2015. In this respect Meath was no exception. The in-depth checks were carried out by the Internal Audit section of the Council in August and September 2015.

3.3.1 Remedial Works, Townspark, Navan

It should be noted that this project predates Circular 13/13: The Public Spending Code and was subject to prevailing guidance at the time covering public expenditure, namely the *Department of Finance Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector 2005*.

Project Description and Status: This project involved the refurbishment of the Townspark Estate in Navan under the Remedial Works Scheme for Local Authority Housing. Although construction work is complete the project is considered ongoing until the Final Account is agreed with the contractor.

Process: The internal audit section carried out an audit of the above scheme in September 2015.

Audit Objectives: The objectives of the audit were to assess the quality of the work which was carried out under the above project and to provide an independent opinion on compliance with the Public Spending Code. It examined all aspects of the project including procurement and tendering procedures, ongoing project management and post-project reviews. A judgement had 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.

Assessment: There were a number of issues which arose during the course of this audit and they are as follows:

Records Management - It was noted during the course of this audit that the standard of record keeping was very poor and many of the earlier records were simply not available. Even though the start of this project predates the Public Spending Code by almost a decade the *National Retention Policy for Local Authorities* was published by the Local Government Management Services Board in 2002 and it's recommendations should have been followed.

Cost Over-runs - As the Final Account still has to be agreed with the contractor it is impossible to say at this stage what the total cost overrun will be but the current projection shows an increase of 8% over the original contract sum.

Procurement Issues - Due to an absence of records it cannot be determined whether procurement procedures were followed correctly in all cases.

Proposals for Corrective Action: Following on from recommendations made by the Internal Auditor the Council propose the following corrective measures:

Records Management - Appropriate measures will be put in place to ensure that Housing sections' file management system meets operational business needs and compliance regulations. All sections of the Council will be made aware of the records management requirements of the Public Spending Code and on the way in which projects should be documented and reported, particularly at key decision points and milestones.

Cost Over-runs - As part of an ongoing educational process in relation to the Public Spending Code all sections of the Council will be reminded that work performed at the appraisal and planning stages of a project should be thorough and robust, including the setting of project timelines and key milestones. Monitoring during the implementation stage by the project manager through regular team meetings and progress reports is necessary in order to ensure that budgeted timeframes and costs are met.

Procurement Issues - Competitive tendering is required for all contracts. All procedural requirements involved in the tendering process should be adhered to and evidence of this maintained for audit purposes. Meath County Council's Procurement Policy was updated and revised in 2015 and will be communicated to and complied with by all sections of the Council.

Audit Opinion: It is the opinion of this Council that the initial decision to go ahead with the project was soundly based and that the project was well managed during the construction phase. However, as a result of the issues outlined above the project provides **Limited Assurance** (see Appendix 3) that there is compliance with the Public Spending Code but it should be noted that this project predated Circular 13/13: The Public Spending Code by a considerable period of time.

3.3.2 Meath County Council Corporate Headquarters

Project Description and Status: This project involves the purchase and re-fit of an existing building in Navan for use as the Council's new headquarters. This project is ongoing.

Process: The internal audit section carried out an audit of the above scheme in August 2015.

Audit Objectives: The objectives of the audit were to assess the quality of the work which is being carried out under the above project and to provide an independent opinion on compliance with the Public Spending Code. It examined all aspects of the project including procurement and tendering procedures and ongoing project management. A judgement had 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.

Assessment: Records held on file and on-line provide evidence of due diligence in the management and execution of this project. Payments are subject to a system of internal controls which exist throughout the organisation and, apart from some minor issues during the very early stages of the project, procurement policies and procedures are being fully complied with. Expenditure is reviewed and evaluated on an ongoing basis and controls are in place which should ensure that objectives are fully achieved.

Proposals for Corrective Action: None at this time.

Audit Opinion: It is the opinion of this Council that the initial decision to go ahead with the project was soundly based and that the project is well managed. The project provides **Substantial Assurance** (see Appendix 3) that there is compliance with the Public Spending Code.

4. Next Steps: Addressing Quality Assurance Issues

The compilation of both the inventory and checklists for the first year of this Quality Assurance process was time consuming and involved liaison with all sections and directorates within the Council. It is envisaged that the administrative burden of the Quality Assurance process will ease as the process becomes embedded over time in the Council's annual programme of activities.

The in-depth checks carried out were useful in setting out the controls which are in place to ensure compliance with the Public Spending Code. Routine internal audit checks and audits carried out by funding providers are useful in ensuring a high level of financial compliance in expenditure and these checks will continue to feed into the annual Quality Assurance process. However, the Public Spending Code also requires that in-depth checks take a broader evaluation view of projects and programmes assessing management, project appraisal and post project reviews amongst other things. Now that an inventory of projects and programmes is in place (subject to changes on a yearly basis) it is envisaged that regular in-depth evaluation checks will be carried out as part of Internal Audit's annual work programme. While the requirement to perform in-depth reviews of 5% of the value of all projects in the inventory was complied with for 2014 the number of projects examined was limited due to the time constraints involved. Now that the Council is familiar with the Quality Assurance process samples selected in future years will aim to be more broadly representative of the scale and nature of the projects which the Council undertakes. Projects will be selected for sample in such a way as to ensure that all of the biggest spending programme groups are represented over a three to five year period.

As part of an ongoing educational process in relation to the Public Spending Code within the Council all sections will be made aware of the records management requirements of the Public Spending Code and on the way in which projects should be documented and reported, particularly at key decision points and milestones. All sections will be reminded that work performed at the appraisal and planning stages of a project is crucial and should be thorough and robust, including the setting of project timelines and key milestones. Monitoring during the implementation stage by the project manager through regular team meetings and progress reports is vital in order to ensure that budgeted timeframes and costs are met. Post project reviews aim to confirm whether project objectives have been met, the project has been delivered to the required standard, on time and within budget and to ensure that experience gained can be used on other projects.

All procedures and processes relating to both capital and revenue expenditure will be re-examined and will be altered and improved where necessary to ensure high levels of compliance with the Public Spending Code. Capital project spending codes will only be created in the Council's financial management system where it can be demonstrated by project owner's that the requirements of the Public Spending Code will be met in full.

5. Conclusion

The inventory outlined in this report clearly lists the capital and revenue expenditure that is being considered, being incurred and that has recently ended. There were no procurements in excess of €10m in the year under review. The checklists completed by the Council show a satisfactory level of compliance with the Public Spending Code. The in-depth checks carried out on a selection of projects revealed some issues which need to be addressed. Additional work is required by all sections within the Council to ensure full and substantial compliance with the Code. The report concludes with recommendations to improve the internal Quality Assurance process in future years such that the Council can ensure high levels of compliance with the Public Spending Code.

Appendix 1

Inventory of Projects and Programmes above €0.5m

Meath 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 as 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 and Building						
Bettystown Phase 1 - 16 Houses				€4.00m		
Summerhill - 14 Houses				€2.70m		
Athboy (Phase 1) - 30 Houses					€6.60m	
Kells - 40 Houses					€7.80m	
St. Francis Park - 10 Houses				€3.50m		
Environmental Services						
Flood Relief, Northlands, Bettystown				€0.50m		

Expenditure being incurred

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 and Building						
Remedial Works, Townspark, Navan					€10.00m	
Tuath Housing Association, Knightsbridge, Trim, 6 Units				€1.53m		
S.T.E.E.R. Voluntary Housing Body, 24 Units, Long Term Lease				€3.05m		
St Brigid's Villa's, Navan. Refurbishment Scheme				€0.75m		
Capital Assistance Scheme, North & East Housing Association, Carrick Street, Kells. 4 Units				€0.71m		
Energy Upgrade 2013 Job Stimulus Phase 1				€2.80m		
Development of Private Sites at Carlanstown				€1.00m		
A01 Maintenance/Improvement LA Housing		€5.39m				
A03 Housing Rent and Tenant Purchase Admin.	€0.89m					
A06 Support to Housing Capital Programme	€2.38m					
A07 RAS Programme	€3.24m					
A08 Housing Loans Programme	€2.15m					
A09 Housing Grants	€1.10m					

Expenditure being incurred (continued)						
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
Road Transportation and Safety						
Traffic Calming Schemes Slane and Navan				€2.14m		
NE Curtis's Cross Pavement Overlay				€0.68m		
N2 Slane Bypass						€50.00m
N2 Thurstianstown Pavement Overlay				€1.28m		
N51 Athboy Scheme 2012				€2.19m		
N51 Dunmoe Realignment Phase 2					€8.53m	
East West Interconnector Project 2012 - Ratoath Local Roads Overlay				€1.03m		
NTA Trim Navan Drogheda Cycleway Phase 1 and 2					€20.00m	
NTA Navan: Cycle Network Development Johnstown				€1.20m		
Main Street Ashbourne Phase 1				€3.50m		
B01 NP Road – Maintenance and Improvement	€0.72m					
B02 NS Road - Maintenance and Improvement	€0.53m					
B03 Regional Roads – Maintenance and Improvement		€8.13m				
B04 Local Road – Maintenance & Improvement		€14.12m				
B05 Public Lighting	€2.24m					
B09 Maintenance & Management of Car Parking	€0.56m					
B10 Support to Roads Capital Programme	€1.38m					
B11 Agency & Recoupable Services	€3.34m					
Water Services						
Navan and Mid Meath Water Supply						€49.71m
Ashbourne/Ratoath/Kilbride Sewerage Scheme					€16.56m	
Oldcastle Sewerage Treatment Works					€9.00m	
Major Grouped DBO 8 Scheme						€69.30m
Optimisation of Aeration System at Navan Waste Water Treatment Plant				€1.27m		
Countywide Water Conservation Project				€3.20m		
C01 Water Supply		€5.84m				
C02 Waste Water Treatment	€4.69m					
C03 Collection of Water/Waste Water Charges	€0.77m					
C06 Support to Water Capital Programme	€0.87m					
C07 Agency & Recoupable Services	€0.52m					

Expenditure being incurred (continued)

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
Development Incentives and Controls						
Redevelopment of Civic Space, Kennedy Road, Navan					€6.4m	
Navan Town Park				€2.00m		
D01 Forward Planning	€0.84m					
D02 Development Management – Planning	€2.87m					
D06 Community & Enterprise Function	€1.20m					
D09 Economic Development & Promotion	€0.83m					
Environmental Services						
Acquisition of Burial Grounds				€1.30m		
E06 Street Cleaning	€1.52m					
E07 Waste Regs, Monitoring and Enforcement	€3.39m					
E10 Safety of Structures & Places	€0.53m					
E11 Operation of Fire Services	€4.31m					
E13 Water Quality, Air, Noise Pollution	€0.55m					
Recreation and Amenity						
F01 Operation and Maintenance of Leisure Facilities	€1.12m					
F02 Operation of Library & Archive Services	€3.53m					
F03 Outdoor Leisure Areas Operations	€0.74m					
F05 Operation of Arts Programme	€0.62m					
Agriculture, Education, Health and Welfare						
G04 Veterinary Service	€0.72m					
G05 Educational Support Services	€1.74m					
Other Services						
Meath County Council Civic Headquarters					€15.00m	
H03 Administration of Rates		€6.06m				
H09 Local Representation/Civic Leadership	€1.93m					
H10 Motor Taxation	€1.55m					
H11 Agency & Recoupable Services	€1.63m					

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
There were no projects fully completed in the year under review.						

Appendix 2

Self Assessment Checklists

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?	3	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: – 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	3	.
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	No projects listed at this level.
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	No projects listed at this level.
Were the NDFA Consulted for projects costing more than €20m?	N/A	No projects listed at this level.
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	N/A to Local Government
Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	N/A	Projects under consideration have not yet proceeded to tender stage.
Were Performance Indicators specified for each project/programme which will allow for the evaluation of its efficiency and effectiveness?	N/A	All projects under consideration are capital projects and do not lead to ongoing efficiencies.
Have steps been put in place to gather the Performance Indicator data?	N/A	All projects under consideration are capital projects and do not lead to ongoing efficiencies.
Self-Assessed Ratings:		
0 - Not Done, **1 -** < 50% compliant, **2** - 50-75% Compliant, **3** - > 75% Compliant, **4** – 100% Compliant		

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: - 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?	3	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?	3	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.
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: - 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?	2	The development of the Annual Service Plans will enhance this measurement
Are outcomes quantified on a regular basis?	2	The development of the Annual Service Plans will enhance this measurement
Is there a method for monitoring effectiveness on an ongoing basis?	4	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?	3	National KPIs are in place for Local Government
Is there an annual process in place 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: - 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?		No completed projects included in 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: - 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.

Appendix 3

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 it's 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 it's 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.