



COMHAIRLE | CLARE
CONTAE AN CHLÁIR | COUNTY COUNCIL

NOAC Secretariat
Custom House
Dublin 1

26 May, 2016

Public Spending Code – 2015 Quality Assurance Summary Report

The Public Spending Code: Expenditure Planning, Appraisal & Evaluation in the Irish Public Service

This Annual Quality Assurance Report reflects Clare County Council's assessment of compliance with the Public Spending Code. It is based on the financial, organisational and performance related information available across the various areas of responsibility.

Clare County Council has completed this Quality Assurance Report as part of its on-going compliance with the Public Spending Code (PSC). The Quality Assurance procedure aims to gauge the extent to which the Council and its associated agencies are meeting the obligations set out in the Public Spending Code.

The Public Spending Code ensures that the state achieves value for money in the use of all public funds.

A. Assurance (Part A04 of the code)

The Public Spending Code requires public bodies to establish an internal, independent, quality assurance procedure involving annual reporting on how the organization is meeting its Public Spending Code obligations.

This involves a **5 step** process:

Step 1. Project Inventory

Step 2. Publish Summary Information of procurement in excess of €10m on Website

Step 3. Complete PSC Checklists for overall LA.

Step 4. In depth check on a small number of selected projects

Step 5. Completion of a summary report to be submitted to NOAC (and published to the council's website).

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Fostóir comhionannas deiseanna is ea
Comhairle Contae an Chláir,
a chuireann fáilte roimh
iarratais ón bpobal i gcoitinne



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B. This report deals with each of the five steps of the Quality Assurance part of the code as follows:

1. Project Inventory

The Project Inventory for Clare County Council is in Appendix A of this report.

It contains 18 Capital Projects amounting to €231m and 46 Current programs amounting to €100m. The total value of the inventory is €331m

2. Publish Summary Information of procurement in excess of €10m on Website

Summary details of all procurements (capital and current) where the value exceeds €10m are required to be published on the councils' website. This step of the code does not apply to Clare County Council in relation to 2015 as there was no individual procurement in excess of €10m.

3. Complete Public Spending Code Checklists for Clare County Council.

There are 7 Checklists and the purpose of the checklists is to provide a self assessment overview of how compliant the council has been with the Public Spending Code. The high level checks in the checklists (7) have been completed and are attached to this report in Appendix B.

4. In depth check on a small number of selected projects

This involves looking in more detail at a small subset of schemes reported on the Project Inventory. The type of checks required by the Public Spending Code Quality Assurance (A04) are being systematically included in the annual audit plan with a view to achieving the recommended check of 5% (average over 3 years) of items on the inventory.

Reviews were carried out in the PSC QA process 2015 that address aspects of the 'Expenditure being incurred/Implementation' stage of the Public Spending Code (PSC C01) in respect of 2 capital projects, and 2 current expenditure programs, and 'Post Implementation/Post Project Review' stage (PSC C03) in respect of 4 capital projects. This covered 7.5% of the inventory (5.7% covered in 2014).

A total of 8 projects/programs were reviewed from the inventory amounting to a total expenditure of €24.78 million (7.5 %).

Capital

1. Garaunakilla Market Area Redevelopment – Ennis (€1.7m) - expenditure being incurred 2015 – C01
2. Doolin Pier Development (€6.0m) - expenditure being incurred 2015 – C01
3. Community Playground Grant Scheme (€2.18m) – Post Implementation – C03
4. Kilmaley 12 no. Housing Units (extension at Kilmaley) (€2.4m) – Post Implementation – C03
5. Clonlara -Glor na Srutha – 12 houses (€3.3m) – Post Implementation – C03
6. Remedial Works Kilrush Housing Estate (JPE) (€3.0m) – Post Implementation – C03

Current/Revenue

7. A07 - RAS (€4.3m) - expenditure being incurred 2015 – C01
8. E02 - Operation & Maintenance of Recovery & Recycling Facilities (€1.9m) - expenditure being incurred 2015 – C01

Part C01 of the PSC requires careful management and oversight for expenditure. Management, Monitoring, Supervision and Control are key terms that apply to this stage. All expenditure, whether capital or current, has to be actively managed. This involves monitoring against plans and expectations, monitoring and assessing changes. Projects numbered 1, 2, 7 & 8 were reviewed in relation to this part of the PSC.

In overall terms the in depth check confirmed that there was assigned responsibility for delivery of the programs and an appropriate structure to monitor and manage the implementation phase. A regular reporting regime has been put in place and there are means of measuring if the program is on target with expectations as indicated by the code. The programs reviewed under C01 account for approximately 4.2% of the project inventory.

Part C03 of the PSC requires that all Capital Projects costing more than €20m are to be subject of a post-project review and at least 5% of other capital projects should be reviewed. Projects numbered 3, 4, 5 & 6 were reviewed in relation to this part of the PSC.

In the case of project 3 the Post Project Review report that was produced was comprehensive and provided evidence of review of the project against the original appraisal. The documentation provided indicates that the requirements of PSC (C03) Post Project Review stage were implemented.

The Post Project Review reports for projects 4, 5 & 6 were shorter and in the main provided evidence of review of the project against the original appraisal. Objectives, purpose, outcomes, performance, issues arising, governance & reporting arrangements, functional life, design review, budget /cost review and overall construction time were reported on. The documentation provided indicates that while most of the requirements of PSC (C03) Post Project Review stage were implemented, however, it is noted that in the item 'budget /cost reviews' there is either no reference to actual amounts of money or the amounts mentioned are in relation to the contract and not the overall cost of the project. Also one of the purposes of these reviews is to assess project performance and learn for the future and no evidence was provided of dissemination of the reviews in the organisation. Going forward the circulation of post project reviews will be arranged via the council's management team.

All the Post Project Review reports reviewed were completed by a different person than those that completed the project appraisal or managed the implementation except in the case of project 6. This has been communicated to the relevant Director of Services.

5. Proposals in relation to inadequacies found during the Quality Assurance process

The compilation of both the inventory and checklists for this QA process is a significant co-ordination task in terms of liaising with divisions within the council and collating of relevant information for the inventories and the checklists.

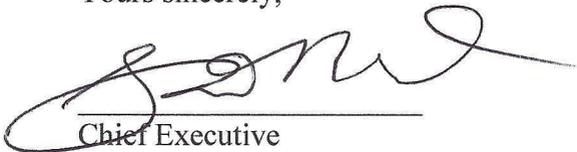
It is expected that the administrative burden of the QA process will ease as the process become embedded over time in the annual council program of activities, however the training yet to be provided by the Department would assist the process.

Training has been requested from the Department of Public Expenditure and Reform, to explain the questions in the checklists in the light of local government activities. Training has been scheduled for June 2016.

It is anticipated that the training will provide an opportunity to clarify a number of areas in the checklists e.g. how the VFM process should work at individual local authority level.

This report is submitted as required by the Quality Assurance Part (A04) of the Public Spending Code and has been published on the council's website at www.clarecoco.ie. A copy has also been sent by email to noac@environ.ie

Yours sincerely,



Chief Executive

Enclosed:

A: Project Inventory for Clare County Council

B: Public Spending Code Checklists 1 to 7 for Clare County Council

Local Authority - CLARE COUNTY COUNCIL PSC 2015 - Inventory	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						
Clare County Council											
Housing & Building	N/A	N/A				N/A		N/A	N/A		
DPG EXTENSIONS TO LA HOUSING 2013							€0.7				
PURCHASE OF 5 HOUSES IN BEAL AN INBHER, KILRUSH			€0.6								
VACANT STOCK RETURNS 2015											€1.8
HP 07/2015 BALLYMONEEN TULLA ROAD, ENNIS			€0.8								
ENERGY EFFICIENCY WORKS 2015											€0.5
A01 Maintenance/Improvement of LA Housing Units						€2.7					
A02 Housing Assessment, Allocation and Transfer						€0.6					
A03 Housing Rent and Tenant Purchase Administration						€0.7					
A05 Administration of Homeless Service						€0.7					
A04 Housing Community Development Support						€0.6					
A06 Support to Housing Capital & Affordable Prog.						€1.4					
A07 RAS Programme						€4.1					
A08 Housing Loans						€0.9					
A09 Housing Grants						€1.7					
Road Transportation and Safety											
2014 - N67 NORTH OF DOONBEG PAVEMENT OVERLAY											€1.4
2015 LISDEEN PAVEMENT STRENGTHENING											€0.6
STORM DAMAGE REMEDIAL WORKS KILKEE								€3.1			
LIMERICK NORTHERN DISTRIBUTION ROAD											€140.0
2014 - FLOOD-STORM DAMAGE									€17.6		
SHANNON BRIDGE CROSSING 2006 ONWARDS											€40.0
ENNIS FLOOD RELIEF SCHEME			€4.0								
DOOLIN - MARINE DEVELOPMENT									€6.0		
FLOOD RELIEF SCHEME AT AUGHANTEEROE									€1.2		
GARAUNAKILLA MARKET AREA REDEVELOPMENT									€1.7		
B02 NS Road - Maintenance and Improvement						€0.6					
B03 Regional Road - Maintenance and Improvement						€4.2					
B04 Local Road - Maintenance and Improvement						€16.4					
B05 Public Lighting						€2.0					
B09 Maintenance & Management of Car Parking						€0.7					

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
1	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?	2	All relevant staff have been notified of their obligations under the PSC
2	Has there been participation by relevant staff in external training on the Public Spending Code? (i.e. DPER)	1	No Training provided for Local Government sector to date – Regional session arranged by DPER for 16/6/16 in Galway
3	Has internal training on the Public Spending Code been provided to relevant staff?	1	In house training session held in 2015. Individual training needs are identified via the PMDS process. Guidance document has been developed and circulated. A training session is scheduled by DPER for 16/6/16.
4	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?	1	A guidance document has been developed for the QA adapting the PSC to Local Government structures and approach. A training session is scheduled by DPER for 16/6/16.
5	Has the Local Authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	2	Agencies have been advised of the requirements of the PSC.
6	Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Local Authority and to your agencies?	2	
7	Have recommendations from previous Quality Assurance exercises been acted upon?	2	
8	Has an annual Public Spending Code Quality Assurance Report been submitted to NOAC (National Oversight and Audit Commission)?	3	Yes – Report submitted
9	Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	3	Sample reviewed
10	Has the Chief Executive signed off on the information to be published to the website?	3	Yes. CE has signed off

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	Comment/Action Required
1	Was a Preliminary Appraisal undertaken for all projects > €5m	3	
2	Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	3	
3	Was a CBA/CEA completed for all projects exceeding €20m?	3	
4	Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	
5	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	
6	If a CBA/CEA was required was it submitted to DPER (CEEU) for their views?	3	
7	Were the NDFA Consulted for projects costing more than €20m?	3	
8	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	
9	Was approval granted to proceed to tender?	3	
10	Were Procurement Rules complied with?	3	
11	Were State Aid rules checked for all supports?	3	This was checked for relevant projects
12	Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	
13	Were Performance Indicators specified for each project/programme that will allow for the evaluation of its efficiency and effectiveness?	2	
14	Have steps been put in place to gather Performance Indicator data?	2	

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
1	Were objectives clearly set?	N/A	No programmes relevant to PSC in 2015
2	Are objectives measurable in quantitative terms?	N/A	No programmes relevant to PSC in 2015
3	Was an appropriate appraisal method used?	N/A	No programmes relevant to PSC in 2015
4	Was a business case incorporating financial and economic appraisal prepared for new current expenditure?	N/A	No programmes relevant to PSC in 2015
5	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 2015
6	Was the required approval granted?	N/A	No programmes relevant to PSC in 2015
7	Has a sunset clause been set?	N/A	No programmes relevant to PSC in 2015
8	Has a date been set for the pilot and its evaluation?	N/A	No programmes relevant to PSC in 2015
9	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 2015
10	If outsourcing was involved were Procurement Rules complied with?	N/A	No programmes relevant to PSC in 2015
11	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 2015
12	Have steps been put in place to gather Performance Indicator data?	N/A	No programmes relevant to PSC in 2015

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	Comment/Action Required
1	Was a contract signed and was it in line with the approval in principle?	3	
2	Did management boards/steering committees meet regularly as agreed?	3	
3	Were Programme Co-ordinators appointed to co-ordinate implementation?	3	
4	Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	3	
5	Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	
6	Did the project keep within its financial budget and its time schedule?	3	
7	Did budgets have to be adjusted?	3	
8	Were decisions on changes to budgets / time schedules made promptly?	3	
9	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)	3	
10	If circumstances did warrant questioning the viability of a project, was the project subjected to adequate examination?	3	
11	If costs increased, was approval received from the Sanctioning Authority?	3	
12	Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N/A	
13	For significant projects were quarterly reports on progress submitted to the MAC and to the relevant Department?	N/A	

Checklist 5: - For Current Expenditure

	Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
1	Are there clear objectives for all areas of current expenditure?	3	Yes. Spending Programme Defined as part of the Annual Budget process. Annual Service Plans(Water), Road works programs, Regional Waste Management Plans (RWMP) etc + Legislation & Standards
2	Are outputs well defined?	3	National KPIs are in place for Local Government. Outputs quantified across each Service Level as part of Budget Process, Annual Service Plans (Water), Road works programs, RWMP etc. Legislation & Standards also have to be complied with.
3	Are outputs quantified on a regular basis?	3	KPIs are established each year for specific services. Regular management & progress meetings and implementation of PMDS are examples of monitoring efficiency tools used. Annual reports & returns.
4	Is there a method for monitoring efficiency on an ongoing basis?	2	Yes Budget performance and monitoring is in place (as above). Annual reports & returns. Audits -including by external agencies.
5	Are outcomes well defined?	3	The further development of the Annual Service Plans will enhance this measurement. Also Corporate Plan/Roads plans/Budget Report/Annual Reports/Development Plan/ meetings with Dept/NRA
6	Are outcomes quantified on a regular basis?	2	The further development of the Annual Service Plans will enhance this measurement. Also Annual reports & returns & mid-year reviews.
7	Are unit costings compiled for performance monitoring?	2	The council complies with national performance indicators in relation to cost per unit and costing is also carried by service.
8	Is there a method for monitoring effectiveness on an ongoing basis?	2	All expenditure is evaluated annually across these Service Levels as part of Budget Process + Also Annual reports & returns, midyear reviews, networks & awards
9	Is there an annual process in place to plan for new VFMs, FPAs and evaluations?	1	There is an internal audit planning process which will be utilised to consider VFM reviews in future plans.
10	How many formal VFMs/FPAs or other evaluations have been completed in the year under review?	2	This council has co-operated in all the VFM studies and subsequent progress reviews issued by the Department of the Environments VFM unit as requested. Under 'other evaluations' there have been 12 IA reports in 2015, a LGA review & IW reviews.

11	Have all VFMs/FPAs been published in a timely manner?	1	
12	Is there a process to follow up on the recommendations of previous VFMs/FPAs and other evaluations?	2	There is an internal audit process to follow up recommendations which will include VFM reviews
13	How have the recommendations of VFMs, FPAs and other evaluations informed resource allocation decisions?	2	

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
1	How many post project reviews were completed in the year under review?	N/A	3 PPR carried out as required
2	Was a post project review completed for all projects/ programmes exceeding €20m?	N/A	
3	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	
4	Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?	N/A	
5	Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?	N/A	
6	Were project reviews carried out by staffing resources independent of project implementation?	N/A	

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
1	Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	No programmes relevant to PSC in 2015
2	Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes relevant to PSC in 2015
3	Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes relevant to PSC in 2015
4	Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No programmes relevant to PSC in 2015
5	Were any programmes discontinued following a review of a current expenditure programme?	N/A	No programmes relevant to PSC in 2015
6	Was the review commenced and completed within a period of 6 months?	N/A	No programmes 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.