

Quality Assurance Report for 2018

Kilkenny County Council

For Submission to NOAC in Compliance with the Public Spending Code



Certification

This Quality Assurance Report reflects Kilkenny 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 Accounting Officer

Date: 29-5-19

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1. Introduction

Kilkenny County Council has completed this Quality Assurance (QA) 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 Public Sector Bodies 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.

The Quality Assurance Process contains five steps:

1. Drawing up Inventories of all projects/programmes at different stages of the Project Life Cycle (appraisal, planning/design, implementation, post implementation). The three Sections are 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 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 Kilkenny County Council to self-assess its compliance with the code in respect of the checklists which are provided through 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 (averaging at least 5% of total capital spending over 3 years and over 1% of current)) are selected to be reviewed more intensively. This includes a review of all projects from ex-post to ex-ante.
5. Complete a short report which includes the 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 proposal to remedy any discovered inadequacies.

This report fulfils the requirement of the QA Process for Kilkenny County Council for 2018. This is the fifth year in which the QA process has applied. Projects and programmes which predate Circular 13/13 were subject to prevailing guidance covering public expenditure, e.g. the Capital Appraisal Guidelines 2005.

2. Expenditure Analysis

2.1 *Inventory of Project/Programmes*

This section details the inventory drawn up by Kilkenny County council in accordance with the guidance on the Quality Assurance process. The inventory lists all of the local authority's projects and programmes at various stages of the project life cycle which amount to more than €0.5m. This inventory is divided between current and capital expenditure and between three stages:

- Expenditure being considered
- Expenditure being incurred
- Expenditure that has recently ended

Appendix 1 list Kilkenny County Councils compiled inventory for the year 2018.

Expenditure Being Considered

As the spreadsheet identifies, there are a total of 43 projects being considered across the various spending and price categories. The primary area where projects are listed as being considered is between €0.5 and €5 million with 39 projects listed. There are 4 projects between €5 and €20 million and none over €20 million. The full breakdown and description of these projects is listed in Appendix 1.

Expenditure Being Incurred

The spreadsheet also provides a summary of the inventory of expenditures above €0.5m being incurred by Kilkenny County Council. In total there are 51 projects or programmes which are currently incurring expenditure of over €0.5m. The majority of items are current expenditure. However, there are a significant number of ongoing Capital Projects that commenced in 2018. The full breakdown and description of these projects is listed in Appendix 1.

Expenditure Recently Ended

The final section of the spreadsheet provides a summary of the inventory of expenditures above €0.5m recently ended by Kilkenny County Council. There are 21 projects that have recently ended which incurred expenditure of over €0.5m

2.2 Published Summary of Procurements

As part of the Quality Assurance process Kilkenny County Council has to publish summary information on our website on our procurements over €10 million. No single item comes within that category for 2018.

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 relevant budget holders, 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 Projects or Capital Grant Schemes 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) 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.

3.2 Main Issues Arising from Checklist Assessment

The completed check lists show the extent to which Kilkenny County Council believe they comply with the Public Spending Code.

With regard to expenditure being considered, no new current expenditure programmes were under consideration in 2018. The checklist for capital expenditure under consideration suggests good levels of compliance with PSC in general with regard to areas such as appraisal, procurement and compliance with tendering procedures. For expenditure being incurred, again good levels of compliance are evident in checklist responses. With regard to checklists for expenditure completed in 2018, current expenditure programmes are primarily ongoing year-to-year programmes as agreed by elected members at budget time and are subject to ongoing monthly/quarterly budgetary reviews and annual audit rather than once off reviews.

3.3 In-Depth Checks

This section details the in-depth checks which were carried out by the Internal Auditor of Kilkenny County Council as part of the Public Spending Code. Appendix 3 details the methodology and conclusions of the checks on 1 significant capital project and 1 sub program of current expenditure. The check on the Capital Project analysed here –Phase 1 of the Western Environs Infrastructure represents almost 6% of the Council’s overall capital inventory for 2018. The in-depth analysis of a sub program of current expenditure-The Rental Accommodation Scheme-fulfills the requirement of checking over one per cent of the inventory for current expenditure in 2018.

4. Next Steps: Addressing Quality Assurance Issues

As stated in previous reports, organisations like Kilkenny County Council operate in a highly regulated environment and the process of identifying projects, seeking funding and engaging in public consultation for same requires them to adhere to the principles of the PSC before they can proceed with any significant project.

Training and further information sessions have taken place with relevant budget holders and Internal Audit to raise awareness and embed the requirements under the PSC within the organisation. However, there may be scope for a roll out at national level of more general training for project leaders. As this is the fifth year that local authorities are required to

complete these reports, there is greater familiarity with the requirements of the PSC, particularly in those Departments where the in-depth assessment of projects happen.

The practice of compiling an inventory of projects and programmes is in place, thus enabling the Internal Audit function to select an appropriate sample of programmes for further assessment via the in-depth check process. A recommendation has been made by internal audit that a post project review be carried out once sufficient time has elapsed to evaluate the benefits/costs of the project selected for checking in 2018.

In previous years, the in-depth report on the selected projects has informed and assisted the Local Government Auditor in his work programme.

5. Conclusion

The inventory outlined in this report clearly lists the current and capital expenditure that is being considered, being incurred, and that has recently ended. Kilkenny County Council is aware of its requirement to publish details of procurements of over €10 million on its website. For 2018, there is no procurement which comes under this category. The checklists completed in this report following input from the relevant sections show a generally high level of compliance with the Public Spending Code. The in-depth checks carried out on a selection of programmes revealed no major issues which would cast doubt on Kilkenny County Council's compliance with the Code. Kilkenny County Council will focus on VFM at all stages of projects and as part of the budgetary process can ensure high levels of compliance with the Public Spending Code.

APPENDIX 1-INVENTORY OF PROJECTS/PROGRAMMES

| Local Authority Kilkenny County Council | Expenditure being considered | | | | Expenditure being incurred | | | Expenditure recently ended | | | Notes |
|--|------------------------------|-------------------------------|------------------|-----------|----------------------------|-----------------------|------------------|----------------------------|-----------------------|------------------|-------|
| | > €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 | | | | | | | |
| Road Transportation and Safety | | | | | | | | | | | |
| B01 NP Road - Maintenance and Improvement | | | | | 1,071,075 | | | | | | |
| B03 Regional Road - Maintenance and Improvement | | | | | 2,593,512 | | | | | | |
| B04 Local Road - Maintenance and Improvement | | | | | 15,659,793 | | | | | | |
| B05 Public Lighting | | | | | 1,272,625 | | | | | | |
| B09 Maintenance & Management of Car Parking | | | | | 1,070,132 | | | | | | |
| B11 Agency & Recoupable Services | | | | | 1,905,978 | | | | | | |
| Western Environs Road - Construction | | | | | | | 12,768,004 | | | | |
| Breaghagh Valley Park Phase 1 | | 710,000 | | | | | | | | | |
| Breaghagh Valley Park Infrastructure & Loughnmacask Link Road | | 500,000 | | | | | | | | | |
| Kilkenny City - Mobility Management /Smarter Travel/Parking | | 1,000,000 | | | | | | | | | |
| Medieval Mile / High Street/Link areas | | | | | | | 1,060,000 | | | | |
| Greensbridge Refurbishment (to include link to Bishopsmeadows) | | 900,000 | | | | | | | | | |
| Ormonde Street | | 1,000,000 | | | | | | | | | |
| N24 Tower Road Pavement Improvement Scheme. | | 4,800,000 | | | | | | | | | |
| N24 Carrick Road Improvement Scheme. | | 3,474,000 | | | | | | | | | |
| N77 Ballyragget to Ballynaslee | | | | | | | 4,000,000 | | | | |
| N25 Graiguenakill to Gaulstown /Luffany to Rhu Glenn Pavement. | | 2,000,000 | | | | | | | | | |
| N78 Castlecomer Bridge to Coolbaun South / Coolbaun Norht to Crettyard | | | | | | | 2,015,000 | | | | |
| N76 Ballymack to Castletobin Pavement Improvement Scheme | | 1,135,000 | | | | | | | | | |
| N76 Callan Bypass Pavement Improvement Scheme | | 1,520,000 | | | | | | | | | |
| N76 Brownstown to Ballybur Pavement Improvement Scheme | | 550,000 | | | | | | | | | |
| Thomastown Culvert Rehabilitation Contract | | 900,000 | | | | | | | | | |
| Abbey Road to Belmont Road - Link Road 1 & 2 (LIHAF 2) | | | | | | | 2,000,000 | | | | |
| Public Lighting National Project | | 4,000,000 | | | | | | | | | |
| KILKENNY PUBLIC LIGHTING LED RETROFIT | | | | | | | | | 1,141,407 | | |
| N24 MOONCOIN PAVEMENT REHAB & TRAFFIC MANAGEMENT | | | | | | | | | 2,574,246 | | |
| N24 GRANNY PAVEMENT IMP SCHEME | | | | | | | | | 669,343 | | |
| N76 PARKMORE TENNYPARK DESIGN | | | | | | | | | 9,660,561 | | |
| KILKENNY CENTRAL ACCESS SCHEME | | | | | | | | | 17,837,373 | | |
| MEDIEVAL MILE - HIGH STREET - ELIGIBLE FOR GRANT | | | | | | | | | 814,424 | | |
| Water Services | | | | | | | | | | | |
| C01 Operation and Maintenance of Water Supply | | | | | 3,524,470 | | | | | | |
| C02 Operation and Maintenance of Waste Water Treatment | | | | | 1,830,902 | | | | | | |
| C05 Admin of Group and Private Installations | | | | | 1,050,674 | | | | | | |
| Development Management | | | | | | | | | | | |
| D02 Development Management | | | | | 1,729,881 | | | | | | |
| D05 Tourism Development and Promotion | | | | | 1,712,454 | | | | | | |
| D06 Community and Enterprise Function | | | | | 2,146,396 | | | | | | |
| D09 Economic Development and Promotion | | | | | 2,298,026 | | | | | | |
| D11 Heritage and Conservation Services | | | | | 779,140 | | | | | | |
| Abbey Quarter Phase 1 - Public Realm /Park Works | | | | | | | 5,000,000 | | | | |
| Abbey Quarter Phase 1 - Utility Services | | | | | | | 1,400,000 | | | | |
| Abbey Quarter Phase 1 - Archaeology | | | | | | | 550,000 | | | | |
| Abbey Quarter Phase 2 Public Realm/Park works (Abbey precinct) | | 500,000 | | | | | | | | | |
| DIAGEO - BREWHOUSE REFURBISHMENT | | | | | | | | | 968,250 | | |
| DIAGEO - SITE MANAGEMENT COSTS | | | | | | | | | 1,147,344 | | |
| ST. MARY'S INELIGIBLE - RESTORATION CAPITAL WORKS | | | | | | | | | 1,410,156 | | |

APPENDIX 2-CHECKLIST ASSESSMENT

Kilkenny County Council

Checklist 1 – To be completed in respect of general obligations not specific to individual projects/programmes

| General Obligations not specific to individual projects/programmes | Self-Assessed Compliance Rating: 1 - 3 | Discussion/Action Required |
|--|--|---|
| 1.1 Does the local authority ensure, on an on-going basis, that appropriate people within the authority and its agencies are aware of the requirements of the Public Spending Code (incl. through training)? | 2 | As the requirements of the code are raised at various Management Team Meetings, the management team are familiar with the content and aims of the code. Through contact and information sharing between the coordinator and project leaders, budget holders are aware of the requirements of the public spending code. The PSC informs the decision making process at all stages of a new or planned project. |
| 1.2 Has training on the Public Spending Code been provided to relevant staff within the authority? | 2 | IA attended national training and information has been circulated to all relevant staff. More detailed training has been given as requested to specific staff. |
| 1.3 Has the Public Spending Code been adapted for the type of project/programme that your local authority is responsible for? i.e., have adapted sectoral guidelines been developed? | 3 | Yes, a detailed guidance document has been prepared by the Head of Finance subcommittee of the CCMA |
| 1.4 Has the local authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code? | 2 | Yes |
| 1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within | 2 | Recommendations are notified to relevant parties |

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| the local authority and to agencies? | | for review and application |
| 1.6 Have recommendations from previous QA reports been acted upon? | 2 | As above. |
| 1.7 Has an annual Public Spending Code QA report been certified by the local authority's Chief Executive, submitted to NOAC and published on the authority's website? | 3 | Yes |
| 1.8 Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP? | 3 | Yes |
| 1.9 Is there a process in place to plan for ex post evaluations/Post Project Reviews? Ex-post evaluation is conducted after a certain period has passed since the completion of a target project with emphasis on the effectiveness and sustainability of the project. | 3 | Yes. Review of Annual Workforce Plan. Ongoing internal, local government and 3 rd party audits. |
| 1.10 How many formal Post Project Review evaluations have been completed in the year under review? Have they been issued promptly to the relevant stakeholders / published in a timely manner? | 1 | None in 2018. However, it is intended that a review will be carried out by internal audit on one of the projects completed last year. |
| 1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews? | 2 | NOAC Report Coordinator has recommended to the internal auditor to include follow ups to previous reports as part of their Annual Work Programme |
| 1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions? | 1 | See above |

Checklist 2 – To be completed in respect of capital projects/programmes & capital grant schemes that were under consideration in the past year

| Capital Expenditure being Considered – Appraisal and Approval | Self-Assessed Compliance Rating: 1 - 3 | Comment/Action Required |
|--|---|--|
| 2.1 Was a preliminary appraisal undertaken for all projects > €5m? | 3 | Yes |
| 2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes? | 3 | Yes |
| 2.3 Was a CBA/CEA completed for all projects exceeding €20m? | N/A | No project is this category |
| 2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision) | 3 | All projects are subject to a period of public consultation before a formal decision is made |
| 2.5 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 | Yes |
| 2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views? | 3 | Yes |
| 2.7 Were the NDFA consulted for projects costing more than €20m? | | N/A |
| 2.8 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 | Yes |
| 2.9 Was approval granted to proceed to tender? | 3 | Yes |
| 2.10 Were procurement rules complied with? | 3 | Yes |
| 2.11 Were State Aid rules checked for all supports? | N/A | Not Applicable to Local Government |
| 2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered? | 3 | Yes |
| 2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date? | 2 | Yes, each project that has progressed to Tender stage would have a specification including objectives with |

| | | |
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| | | expected timescale. Level of detail varies dependent on size of project. |
| 2.14 Have steps been put in place to gather performance indicator data? | 2 | Yes. Responsibility lies with budget holder/project manager with ongoing reviews by Finance Department. |

Checklist 3 – To be completed in respect of new current expenditure under consideration in the past year

| Current Expenditure being Considered – Appraisal and Approval | Self-Assessed Compliance Rating: 1 - 3 | Comment/Action Required |
|---|---|--|
| 3.1 Were objectives clearly set out? | 3 | Yes, as part of the annual budget and annual work programme |
| 3.2 Are objectives measurable in quantitative terms? | 2 | Objectives can be measured by performance indicators and review of annual work programme |
| 3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure? | n/a | No item in the inventory comes under this category |
| 3.4 Was an appropriate appraisal method used? | N/A | No item in the inventory comes under this category |
| 3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years? | No | The items falling into this category are either an ongoing essential function of the local authority e.g. Road Maintenance /Improvement or a national scheme whose functionality is carried out at local level ,e.g RAS Scheme |
| 3.6 Did the business case include a section on piloting? | N/A | See above |
| 3.7 Were pilots undertaken for new current spending proposals involving total expenditure of at least €20m over the proposed duration of the programme and a minimum annual expenditure of €5m? | N/A | See above |
| 3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme? | N/A | See above |
| 3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department? | N/A | No item in the inventory comes under this category |
| 3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on | 3 | Yes – RAS housing units |

| | | |
|---|-----|----------------|
| empirical evidence? | | |
| 3.11 Was the required approval granted? | 3 | Yes |
| 3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set? | N/A | |
| 3.13 If outsourcing was involved were procurement rules complied with? | 3 | Yes |
| 3.14 Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure programme which will allow for a robust evaluation at a later date? | 2 | National KPI's |
| 3.15 Have steps been put in place to gather performance indicator data? | 3 | Yes |

Checklist 4 – To be completed in respect of capital projects/programmes & capital grants schemes incurring expenditure in the year under review

| Incurring Capital Expenditure | Self-Assessed Compliance Rating: 1 - 3 | Comment/Action Required |
|--|--|--|
| 4.1 Was a contract signed and was it in line with the Approval in Principle? | 3 | Yes |
| 4.2 Did management boards/steering committees meet regularly as agreed? | 3 | Relevant teams within sections meet on regular basis |
| 4.3 Were programme co-ordinators appointed to co-ordinate implementation? | 3 | Project coordinator appointed for projects >€5M and for many other projects. Internal coordination teams, with an identified staff member taking ownership of the project in place in other instances. |
| 4.4 Were project managers, responsible for delivery, appointed and were the project managers at a suitably senior level for the scale of the project? | 3 | Staff at appropriate level are given responsibility for specific projects |
| 4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality? | 3 | Management Accounts are produced monthly. Progress reports are produced for all significant projects. Elected members appraised regularly through the CE's monthly report. |
| 4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule? | 2 | One project has incurred significant extra cost due to 3 rd party actions |
| 4.7 Did budgets have to be adjusted? | 3 | Yes |
| 4.8 Were decisions on changes to budgets / time schedules made promptly? | 3 | Yes |
| 4.9 Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (exceeding budget, lack of | 3 | No |

| | | |
|---|-----|--|
| progress, changes in the environment, new evidence, etc.) | | |
| 4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination? | | n/a |
| 4.11 If costs increased was approval received from the Sanctioning Authority? | 3 | Yes |
| 4.12 Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment? | n/a | The three-year capital budget is reviewed on an annual basis having regard to changing circumstances. Should the budgeted funding not meet projections or local or national priorities change, projects may be adjusted or postponed accordingly |

Checklist 5 – To be completed in respect of current expenditure programmes incurring expenditure in the year under review

| Incurring Current Expenditure | Self-Assessed Compliance Rating: 1 -3 | Comment/Action Required |
|--|---------------------------------------|---|
| 5.1 Are there clear objectives for all areas of current expenditure? | 3 | Yes Annual Budget Plan reflects core objectives and team plans of each section |
| 5.2 Are outputs well defined? | 3 | Yes. National KPI's are in place for most sectors in Local Government. |
| 5.3 Are outputs quantified on a regular basis? | 3 | Yes. Annual KPIs for each specific service |
| 5.4 Is there a method for monitoring efficiency on an on-going basis? | 3 | Service indicators, Department Returns, returns to DPER, annual team plans & Internal Review. Monthly reviews of management accounts. |
| 5.5 Are outcomes well defined? | 2 | Yes |
| 5.6 Are outcomes quantified on a regular basis? | 3 | Yes. Review of Annual Service Plans, monthly reports from the CE to the elected members. |
| 5.7 Are unit costings compiled for performance monitoring? | 3 | Yes |
| 5.8 Are other data compiled to monitor performance? | 2 | Monthly management accounts, individual reports on jobs through the Agresso financial system. |
| 5.9 Is there a method for monitoring effectiveness on an on-going basis? | 2 | In addition to KPI's-Team meetings. Management meetings, feedback from members and through engaging with the public. |

| | | |
|---|---|----------------|
| 5.10 Has the organisation engaged in any other 'evaluation proofing' ¹ of programmes/projects? | 2 | Internal audit |
|---|---|----------------|

Checklist 6 – To be completed in respect of capital projects/programmes & capital grant schemes discontinued and/or evaluated during the year under review

| Capital Expenditure Recently Completed | Self-Assessed Compliance Rating: 1 - 3 | Comment/Action Required |
|---|---|---|
| 6.1 How many post project reviews were completed in the year under review? | 1 | N/A |
| 6.2 Was a post project review completed for all projects/programmes exceeding €20m? | N/A | |
| 6.3 Was a post project review completed for all capital grant schemes where the scheme both (1) had an annual value in excess of €30m and (2) where scheme duration was five years or more? | N/A | |
| 6.4 Aside from projects over €20m and grant schemes over €30m, was the requirement to review 5% (Value) of all other projects adhered to? | 3 | Yes |
| 6.5 If sufficient time has not elapsed to allow for a proper assessment, has a post project review been scheduled for a future date? | 2 | NOAC Report Coordinator has advised internal auditor to include follow ups to previous reports as part of their Annual Work Programme |
| 6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies) | | N/A |
| 6.7 Were changes made to practices in light of lessons learned from post-project reviews? | | N/A |
| 6.8 Were project reviews carried out by staffing resources independent of project implementation? | 1 | N/A |

¹ Evaluation proofing involves checking to see if the required data is being collected so that when the time comes a programme/project can be subjected to a robust evaluation. If the data is not being collected, then a plan should be put in place to collect the appropriate indicators to allow for the completion of a robust evaluation down the line.

Checklist 7 – To be completed in respect of 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: 1 - 3 | Comment/Action Required |
|---|--|---------------------------------------|
| 7.1 Were reviews carried out of current expenditure programmes that matured during the year or were discontinued? | N/A | No programmes relevant to PSC in 2018 |
| 7.2 Did those reviews reach conclusions on whether the programmes were efficient? | N/A | No programmes relevant to PSC in 2018 |
| 7.3 Did those reviews reach conclusions on whether the programmes were effective? | N/A | No programmes relevant to PSC in 2018 |
| 7.4 Have the conclusions reached been taken into account in related areas of expenditure? | N/A | No programmes relevant to PSC in 2018 |
| 7.5 Were any programmes discontinued following a review of a current expenditure programme? | N/A | No programmes relevant to PSC in 2018 |
| 7.6 Were reviews carried out by staffing resources independent of project implementation? | N/A | No programmes relevant to PSC in 2018 |
| 7.7 Were changes made to the organisation's practices in light of lessons learned from reviews? | N/A | No programmes relevant to PSC in 2018 |

Notes:

- ❖ The scoring mechanism for the above checklists is as follows:
 - Scope for significant improvements = a score of 1
 - Compliant but with some improvement necessary = a score of 2
 - Broadly compliant = a score of 3

- ❖ 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.

- ❖ 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 covered in the sample for those questions which address compliance with appraisal/evaluation requirements i.e. the annual number of appraisals (e.g. Cost Benefit Analyses or Multi Criteria Analyses), evaluations (e.g. Post Project Reviews). Key analytical outputs undertaken but outside of the sample should also be noted in the report.

APPENDIX 3-QUALITY ASSURANCE INDEPTHCHECKS

Quality Assurance – In Depth Check

Section A: Introduction

This introductory section details the headline information on the programme or project in question.

| Programme or Project Information | |
|---|--|
| Name | Western Environs Phase 1 Infrastructure |
| Detail | Capital road project to construct enabling infrastructure to support housing and associated development in the Western Environs area of Kilkenny City. |
| Responsible Body | Kilkenny County Council |
| Current Status | Expenditure Being Incurred |
| Start Date | 2017 |
| End Date | Under Construction |
| Overall Cost | €12.76million |

Project Description

This project is for road infrastructure required to remove the impediment to enable the orderly development of the Western Environs in Kilkenny City, situated between the N76 Callan Road on the R695 Kilmanagh Road. The Western Environs is the next orderly settlement for Kilkenny City planned since the Land use and Transport Study of 1979, with two of the four identified settlements already developed at Loughboy (Southern Environs), Johnswell Road (Eastern Environs) and now the Poulgour/Wetlands Area (Western Environs). The Western Environs covers 14 hectares and allows for the development of 3,200 homes approximately. The detailed Local Area Plan prepared by Kilkenny County Council in 2004 includes homes, schools, parks/amenity areas and other social infrastructure to develop this area and was subsequently incorporated into the Development Plans of 2008 and 2014.

In total 3,015 homes remain to be delivered in this area and the proposed infrastructure, the subject of this application, will allow for the immediate development of 1,180 houses. To date 185 homes have been delivered in this planned area and this project will immediately enable delivery of a further 995 much needed homes for Kilkenny. It is proposed to fund enabling infrastructure consisting of:

- Distributor road from the N76 Callan Road to the Circular Road
- Upgrade of the Circular Road to the Kilmanagh Road
- Upgrade of the Kilmanagh Road on the Northern boundary of the Western Environs Area

As per the table below the construction costs for the full scheme are estimated at €9,768,004. The land costs associated with the scheme CPO are estimated at a further €3,000,000. This gives a total estimated scheme cost of **€12,768,004**. The Department grant towards the scheme is €6,545,533. This equates to an estimated Kilkenny County Council cost for the scheme of **€6,222,471**.

| Description | Estimated Cost (incl VAT) |
|--|---------------------------|
| Infrastructure Construction Cost | €8,511,662 |
| Consultancy Design Services Fees | €264,155 |
| Site Supervision Fees | €263,000 |
| Diversion of existing services | €645,181 |
| Design and Installation of Traffic Signals | €64,006 |
| Environmental Management Costs (estimated) | €10,000 |
| Pre-contract surveying and setting out (estimated) | €10,000 |
| Total Cost | €9,768,004 |

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, [Unit Name] have completed a Programme Logic Model (PLM) for the Western Environs Roads Infrastructure project. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

| Objectives | Inputs | Activities | Outputs | Outcomes |
|--|--|---|---|---|
| <ul style="list-style-type: none"> • To provide road infrastructure and related infrastructure required to enable the development of the Western Environs in Kilkenny City. | <ul style="list-style-type: none"> • A budget of approx. €10.94m. • An in-house project team managing the project. | <ul style="list-style-type: none"> • Appointment of Consulting Engineers. • Preparation of plans and designs. • Multi Criteria Project Appraisal report. • Planning Approval process. • CPO Process • Tender Process • Managing construction phase | <ul style="list-style-type: none"> • Roundabout on the N76 Callan Rd. • Western Environs distributor road consisting of 0.7km of single carriageway • Roundabout on junction of distributor road and Circular road • Upgrade of the existing Circular Rd. • Roundabout on the R695 Kilmanagh Road Circular road junction. • Upgrade of the R695 Kilmanagh Rd. | <ul style="list-style-type: none"> • Approx 600 housing units in the next 3-5 years. • Approx 3000 housing units in the long term. • 3 schools (2 secondary and 1 primary). • Improved connectivity to the city centre. • Potential increase in Foreign Direct Investment. • Social infrastructure. |

Section B - Step 2: Summary Timeline of Project/Programme

The following section tracks the Western Environs Roads Infrastructure project from inception to conclusion in terms of major project/programme milestones;

- 1978 The Kilkenny City and Environs Study Structure Plan identifying the Western Environs as one of four areas of potential development in the city.
- 2004 Kilkenny Western Environs Local Area Plan adopted.
- 2005 The road infrastructure was subject to a Part 8 planning process which was approved by Kilkenny County Council in Oct 2005.
- 2007 The scheme CPO was confirmed by Kilkenny County Council in June 2007 and the Notice to Treat was served on affected landowners on the 8th January 2009.
- 2016 Application for funding under the Local Infrastructure Housing Activation Fund in Oct 2016 from the Dept. of Housing, Planning, Community and Local Govt.
- 2017 Approval for part funding of the scheme granted by DHPC&LG in March 2017.
- 2018 Approval to proceed with scheme following procurement process received from Department on December 19th 2018.
- 2019 Commencement of construction on site on 4th March 2019.



Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Western Environs Roads Infrastructure.

| Project/Programme Key Documents | |
|---|--|
| Title | Details |
| Rebuilding Ireland – Action Plan for Housing and Homelessness | Pillar 3 of the plan commits to spending €200m in key supporting infrastructure to get large sites moving and thereby increase the supply of affordable homes for sale and rental. |
| Kilkenny City and Environs Development Plan 2014-2020 | Lands identified for immediate housing delivery in the 2005 Western Environs local area plan included in subsequent development plans. |
| Part 8 Approval | Planning Permission approval for scheme |
| Project Proposal and application for funding under LIHAF | Application to DHPC&LG for funding under LIHAF along with detailed project proposal. |
| Funding Approval Letter from DHPC&LG | Approval in principle for funding of €5.07mill |
| CE Order accepting tender for contractor. | CE Order dated 11/01/19 approving tender for the contractor based on the tender assessment report prepared. |
| Contract Agreement with approved contractor | Signed contract agreement dated 28 th Feb 2019 between Kilkenny County Council and SIAC Construction Ltd. |

Key Document 1: Rebuilding Ireland – Action Plan for Housing and Homelessness

Rebuilding Ireland – Action Plan for Housing and Homelessness was published by the Dept. of Housing, Planning, Community and Local Government in 2016. Pillar 3 of the plan commits to spending €200m in key supporting infrastructure to get large sites moving and thereby increase the supply of affordable homes for sale and rental.

Key Document 2: Kilkenny City and Environs Development Plan 2014-2020

The detailed Local Area Plan prepared by Kilkenny County Council in 2004 includes homes, schools, parks/amenity areas and other social infrastructure to develop this area and was subsequently incorporated into the Kilkenny City and Environs Development Plans of 2008 and 2014.

Key Document 3: Part 8 Approval

Approval was received from Kilkenny Borough Council in 2005 for the following:

1. Construction of a section of an Inner Relief Road between the N76 Callan Road and R695 Kilmanagh Road.
2. Realignment and improvement of the N76 Callan Road between the Ring Road and Local Road L-6695-11 at Margarets Fields.
3. Realignment and improvement of the R695 Kilmanagh Road between the Circular Road and Local Road L-6696-11.

Key Document 4: Project Proposal and application for funding under LIHAF

An application was made in October 2016 to DHPC&LG for funding under LIHAF along with detailed project proposal. The application set out the key benefits of the scheme:

1. The area known as the Western Environs is the third of four areas in the Kilkenny City Environs to be developed and is crucial for the provision of housing in Kilkenny to cater for the project need.
2. The Local Area Plan 2004 sets out the overall sequential plan for the area to include homes, schools and amenity areas to cater for the neighbourhood. This has subsequently been adopted in the 2008 and 2014 Co. Kilkenny Development Plans.
3. Clear connectivity to the City Centre (car, cycle and walking) to the Eastern Environs is also provided for in the Development Plan.
4. Part VIII planning is in place in respect of the infrastructure.
5. The CPO for the lands required for the infrastructure has been approved and Notice to Treat has been served on landowners in 2009.
6. Preliminary design has been prepared for the road and the design team was re-engaged in September 2016 to bring design to tender stage.
7. There is a demonstrated immediate need for housing in County Kilkenny and this is particularly acute for Kilkenny City.
8. The acute housing shortage is impeding economic development and is of particular concern to IDA in attracting Foreign Direct Investment.

Key Document 5: Funding Approval Letter from DHPC&LG

Letter dated 3rd April from Dept. of Housing, Planning, Community and Local Government granting approval in principle for funding of €5.07m under LIHAF. In a subsequent letter dated 19th December 2018, the DHPC&LG provided additional funding of €1.475m due to the increase in tender prices since the date of application.

Key Document 6: CE Order approving tender for contractor

CE Order dated 11/01/19 approving the acceptance of tender received from SIAC Construction Ltd. based on the tender assessment report prepared by Malone O'Regan Consulting Engineers acting on behalf of Kilkenny County Council.

Key Document 5: Contract Agreement with approved contractor

Public Works Contract dated 26th February 2019 signed by Kilkenny County Council as the employer and SIAC Construction Ltd. as the contractor.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Western Environs Road Infrastructure. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

| Data Required | Use | Availability |
|---|---|---|
| Project Proposal and Multi-Criteria Analysis. | Assess if project was adequately appraised. | Yes |
| Part 8 Report | Confirm compliance with proper planning procedures. | Yes |
| Report on tenders by QS | Assess procurement process. | Yes |
| Construction Contracts | Assess if project was within budget | Yes. Available from agresso financial management system |
| Financial Reports | Assess if project was within budget | Yes. Available from agresso financial management system |
| Minutes of Site Meetings | Assess if project was being managed effectively. | Yes |

Data Availability and Proposed Next Steps

The data requirements listed above are available from the Agresso Financial Management System and files as requested.

This information can be used to monitor ongoing expenditure and compare the tender price against the actual costs. This information will help evaluate the performance of the contractor and the council in delivering the project.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Western Environs Road Infrastructure based on the findings from the previous sections of this report.

Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)

As is the case nationally, the demand for housing in Kilkenny is high. The construction of housing is in line with national policy and local policy. It is one of the key pillars of the policy document, Rebuilding Ireland. The Local Infrastructure Housing Activation Fund (LIHAF) provides enabling infrastructure on key sites to open up lands for early development.

As set out in the Capital Expenditure Appraisal Thresholds, projects costing between €5m and €20m should be subject to preliminary and detailed appraisal which includes a Multi-Criteria Analysis. A project appraisal was prepared in October 2016 using the following headings:

1. Project Proposal and Link to Housing Delivery
2. Innovation and Collaboration
3. Strategic Fit
4. Financial Package and Prudence
5. Delivery

Four options were developed and comparatively assessed using Multi-Criteria Analysis. The best scoring option was *Option C, Opening up of full area of Western Environs (full implementation of road infrastructure for Western Environs)*.

The MCA process has resulted in the identification of a project which should result in the quick delivery of houses, along with many benefits for the creation of a new, sustainable neighbourhood that aligns with the Core Strategy for the City.

The necessary consents are in place for this project, as the CPO and Part 8 have been approved. The procurement process was conducted in accordance with EU and Public Spending Code requirements. The project will deliver a public road for public use. The design and contract documentation has been complete and work commenced on site in March 2019.

An in-house project management team has been set up to manage the project. It consists of an office based Senior Engineer as Project Manager along with a Resident Engineer and a Clerk of Works on site. Fortnightly site meetings are held with the contractor's representatives. A Project Board has also been established consisting of the Director of Services for Roads, the Project Manager and contractors representatives.

Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?

The necessary financial data is available on Agresso Financial Management System. This information can be used to monitor expenditure and income of the project.

Minutes of site meetings are kept to monitor delivery of the scheme.

What improvements are recommended such that future processes and management are enhanced?

The project appraisal outlines the business case for the project and how the project would be delivered. It does not provide for the preparation of a Post Project review. Under the Public Spending Code guidelines, only projects >€20m are required to undertake a post project review. However, given the scale of this project, I would recommend that a review is carried out to evaluate the project outturn and the appraisal and management procedures.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Western Environs Roads Infrastructure Project.

Summary of In-Depth Check

The in-depth check demonstrates that the council are complying with the requirements of the Public Spending Code in respect to the Western Environs Roads Infrastructure project.

The construction of housing is in line with national and local housing policy. The roads infrastructure being provided allows for the development of the Western Environs, an area outlined as a priority for development in successive Kilkenny City and County Development plans. A detailed project proposal was prepared in addition to a Multi-Criteria Analysis. Procurement and planning guidelines were all complied with and funding was approved from the Department under the Local Infrastructure Housing Activation Fund.

As site work has only recently started on this project, Internal Audit cannot fully evaluate compliance with the delivery management or post implementation stages of the Public Spending Code. However, there are procedures in place to manage the project and I would recommend that a post project review be carried out once sufficient time has elapsed to evaluate the benefits/costs of the project.

Quality Assurance – In Depth Check

Section A: Introduction

This introductory section details the headline information on the programme or project in question.

| Programme or Project Information | |
|---|---|
| Name | Rental Accommodation Scheme (RAS) |
| Detail | The Rental Accommodation Scheme (RAS) provides accommodation from the private rented sector for persons who have a long term housing need. RAS provides a more structured, accommodation-based approach to the use of the private rented sector to meet long-term housing need. |
| Responsible Body | Kilkenny County Council |
| Current Status | Expenditure Being Incurred |
| Start Date | Recurring annual costs |
| End Date | Recurring annual costs |
| Overall Cost | €8.3m |

Project Description

The Rental Accommodation Scheme (RAS) provides accommodation from the private rented sector for persons who have a long term housing need. RAS provides a more structured, accommodation-based approach to the use of the private rented sector to meet long-term housing need.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit has completed a Programme Logic Model (PLM) for RAS programme.

| Objectives | Inputs | Activities | Outputs | Outcomes |
|---|--|--|--|---|
| <ul style="list-style-type: none"> • To provide good quality, affordable, housing accommodation suitable for eligible applicants and providing security of tenure. | <ul style="list-style-type: none"> • Expenditure of approx €8.3m per year. • Staff of 14.8 fte to manage and implement the scheme. | <ul style="list-style-type: none"> • Procuring good quality accommodation suitable for applicants needs • Processing applications from people in need of housing. • Inspection of accommodation to ensure that it complies with housing standards. • Negotiating long term contract with landlords. • Payment of monthly rent to landlord. • Collection of tenants contribution. • Recoupment of costs from Dept. | <ul style="list-style-type: none"> • There were 532 RAS tenancies 31st Dec 2018. | <ul style="list-style-type: none"> • Providing an alternative social housing support option. • Provide good quality and affordable accommodation. • Providing tenants with security of tenure. |

Section B - Step 2: Summary Timeline of Project/Programme

The Rental Accommodation Scheme is an annual revenue spend. Therefore, there is no project commencement or end dates. The scheme was introduced in 2006 as an additional social housing option available to local authorities and to reduce the number of people in receipt of long term rent supplement from the Dept. of Social Protection.

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Rental Accommodation Scheme.

| Project/Programme Key Documents | |
|--|---|
| Title | Details |
| Government Circulars | Government circulars outlining terms of the scheme. |
| Procedure Manual | Detailed procedures on the process of RAS scheme. |
| 2018 RAS files | Includes tenancy agreement and contract with landlord. |
| 2018 Departmental returns | Recoupment of monthly rents paid to landlords and properties added/removed from RAS |

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Project Name. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

| Data Required | Use | Availability |
|---|---|---------------------|
| RAS Guidelines – General Overview of the Scheme | Review terms and eligibility requirements of the scheme. | Yes - Available |
| Listing of properties included in RAS | Total no. of RAS properties included on return to Dept. | Yes - Available |
| Monthly landlord payment reports | Details of monthly payments to landlords and increases/decreases in monthly rents | Yes - Available |
| Monthly return to Dept. | Recoupment of monthly rents paid to landlords and properties added/removed from RAS | Yes - Available |

Data Availability and Proposed Next Steps

All files requested were available to Internal Audit at the time of review.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for RAS Programme based on the findings from the previous sections of this report.

Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)

RAS is an annual current expenditure programme. Applications are assessed and processed by the RAS section in the Housing Dept. The RAS scheme is a national programme and the terms of the scheme are included in the Department circulars to local authorities.

Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?

There is sufficient data available to evaluate the RAS programme.

What improvements are recommended such that future processes and management are enhanced?

Internal Audit understands and accepts that the Housing Dept. are facing huge challenges in the current climate and there are urgent demands to source accommodation for people who cannot provide accommodation from their own resources.

Internal Audit recommends that adequate procedures are put in place to ensure backup documentation is consistent in each application such as RTB registration, insurance cert, LPT receipt, technical approval, BER cert etc.

An IT system to record payments to landlords and reconcile to monthly recoupments from the Dept. would also be welcome. Currently all data is recorded on excel spreadsheets which have inherent control weaknesses.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the RAS Programme.

Summary of In-Depth Check

The operation of the RAS programme complies with the broad principals of the Public Spending Code.

Internal Audit recommends stronger controls in relation to the administration and management of the application process especially in the areas of technical inspections, landlord payments and departmental returns.