

**Public Spending Code  
Quality Assurance Report for 2015**



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

**May 2016**

## **Certificate**

This Annual Quality Assurance Report sets out Wexford County Council's approach to completing the Quality Assurance requirements as set out in the Public Spending Code. It is based on the best financial, organisational and performance related information available across the various areas of responsibility.

**Signature of Accounting Officer:**



\_\_\_\_\_  
Tom Enright  
Chief Executive  
Wexford County Council

**Date:**

\_\_\_\_\_  
26/5/16.

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## Introduction

Wexford County Council has completed the Quality Assurance (QA) requirements as set out in the Public Spending Code and the purpose of this report is to present the results of each of the 5 Steps in the QA exercise and to report on compliance with the requirements of the Public Spending Code as established during this exercise.

The Public Spending Code was written specifically with Government Departments in mind and some of the terminology is very specific to that sector. In order to inform the QA exercise for the Local Government Sector a Guidance Note was developed for the sector to assist in providing interpretations from a Local Government perspective.

This guidance note was further updated for the 2015 reporting requirements and this updated guidance note (version 2) has informed the completion of the 2015 report.

## Requirements of the Quality Assurance Aspect of the Public Spending Code

The Quality Assurance obligation involves a **5 step** process as follows:

- **Step 1** - Drawing up inventories of projects/programmes at the different stages of the Project Life Cycle that have a total Project Life Cost of €500k or more.
- **Step 2** - Publishing summary information on the organisation's website of all procurements in excess of €10m, related to projects in progress or completed in the year under review. (The PSC originally required projects in excess of €2m to be published under this requirement but this has now been changed to €10m) A new project may become a "project in progress" during the year under review if the procurement process is completed and a contract is signed.
- **Step 3** - Completing the 7 checklists contained in the PSC. Only one of each checklist per Local Authority is required. Checklists are not required for each project/programme.
- **Step 4** - Carrying out a more in-depth check on a small number of selected projects/programmes based on criteria established within the Public Spending Code.
- **Step 5** - Completing a short summary report for the National Oversight and Audit Commission (NOAC). The report, which will be generated as a matter of course through compliance with steps 1-4 set out above.

## STEP 1 – Project Inventory

This section presents the project inventories of Wexford County Council for projects with a total life cost in excess of €500,000. The inventory is presented in three stages as set out in the following table which also outlines the Expenditure Category/Band relevant for inclusion in each stage:

Project/Programme Stage		Category/Band
1	Expenditure being considered	Capital Projects between €0.5m - €5m
		Capital Projects between €5m - €20m
		Capital Projects over €20m
		Current Expenditure programme - Increases over €0.5m
2	Expenditure being incurred	Capital Projects greater than €0.5m
		Current Expenditure greater than €0.5m
3	Expenditure that has recently ended	Capital Projects greater than €0.5m
		Current Expenditure greater than €0.5m

The Project inventory, set out in the format described above, is included in Appendix A. (Appendix A – Inventory of Projects and Programmes Over €0.5m – 2015)

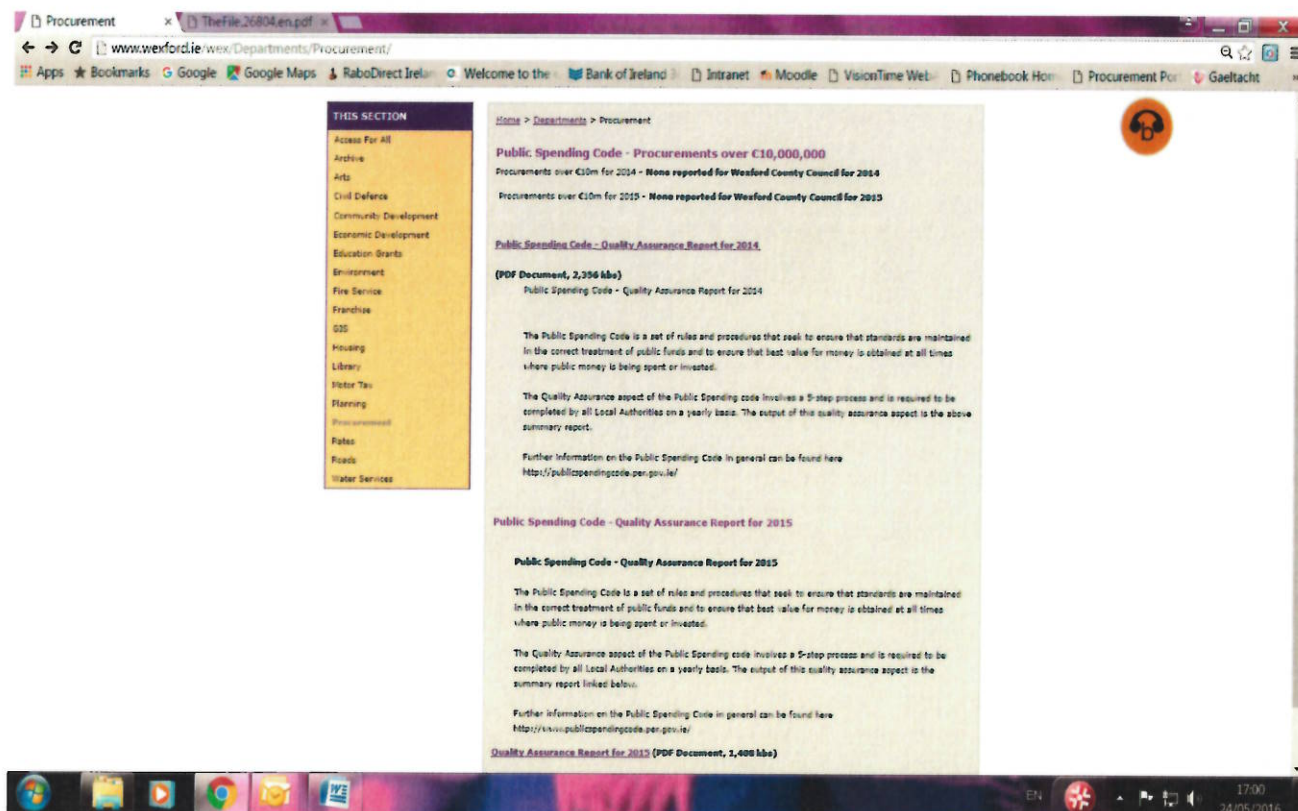
The Inventory contains 103 Projects under the three stages and comprises a total value of €224.58m. The following table provides an overview of the number of projects under each Project/Programme stage and under each of the categories in each of these stages. It also provides an overview of the Project Costs under each category.

	Revenue Expenditure	Capital Expenditure	
Project Numbers	> €0.5m	> €0.5m	Totals
Expenditure Being considered	1	29	30
Expenditure Being Incurred	47	17	64
Expenditure recently ended	0	9	9
<b>Totals</b>	<b>48</b>	<b>55</b>	<b>103</b>

	Revenue Expenditure	Capital Expenditure	
Project Total Values	> €0.5m	> €0.5m	Totals
Expenditure Being considered	€0.58m	€46.60m	€47.18m
Expenditure Being Incurred	€96.69m	€60.27m	€156.96m
Expenditure recently ended	0	€20.44m	€20.44m
<b>Totals</b>	<b>€97.27m</b>	<b>€127.31m</b>	<b>€224.58m</b>

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

In compliance with the requirement to publish all procurements in excess of €10m on our website we confirm that the location of the publication is <http://www.wexford.ie/wex/Departments/Procurement/>



However, for 2015 Wexford Co Council has reported no projects in this category. The requirement relates to Procurements over €10m rather than Project Costs. Therefore while the project inventory reports on 2 projects over €10m, there is currently no single procurement within these projects that meets the reporting requirement in Step 2 of the QA process.

## STEP 3 - Checklists

Step three of the Quality Assurance procedure for the Public Spending Code involves the compilation of a number of checklists. There are 7 checklists in all. Checklists 2, 4 and 6 are capital related checklists while checklists 1, 3, 5 and 7 are Revenue/Expenditure related.

The Checklists are informed by the Project Inventory and the following table outlines the approach taken for the completion of the Checklists

<b>Checklist Completion aligned with Project Inventory</b>	
<b>Expenditure Type</b>	<b>Checklist to be completed</b>
General Obligations	General Obligations - Checklist 1
A. Expenditure being considered	Capital Projects/Programmes - Checklist 2 Current Expenditure – Checklist 3
B. Expenditure being incurred	Capital Projects/Programmes – Checklist 4 Current Expenditure – Checklist 5
C. Expenditure that has recently ended	Capital Projects/Programmes – Checklist 6 Current Expenditure – Checklist 7

All checklists as outlined below have been completed and can be found in [Appendix B](#) of this document.

1. [General Obligations Not Specific to Individual Projects/Programmes.](#)
2. [Capital Projects or Capital Grant Schemes Being Considered.](#)
3. [Current Expenditure Being Considered](#)
4. [Capital Expenditure Being Incurred](#)
5. [Current Expenditure Being Incurred](#)
6. [Capital Expenditure Completed](#)
7. [Current Expenditure Completed](#)

## Findings on Completion of Checklists

While the responses included in the Checklist indicates a satisfactory level of compliance there are indications that there is room for improvement in certain aspects of the requirements. However, no specific serious issues/concerns were evident during the completion of this element of the QA exercise

## STEP 4 - In-Depth review of a sample number of projects

Step 4 of the Quality Assurance Process involved the examining a sample selection of projects included on the Project Inventory to test the standard of practices in use and compliance with the Public Spending Code within the organisation.

## Internal Audit In-Depth Checks

The Internal Audit Unit of Wexford County Council was assigned the task of completing the In-depth checks. The approach taken was to initially randomly select a number of projects from the inventory having regard to the various stages of the life cycle and the values of project listed and the business area of the local authority in order to have, in as far as possible, a good range of project types and sizes for review

The In-depth review has been completed and a list of the projects selected and a note of the number of recommendations which arose as a result of the in-depth check

completed. The projects, level of compliance and number of recommendations per project is summarised in the following table:

<b>Table 1.2 – Compliance Levels</b>			
	<b>Project Reviewed</b>	<b>Compliance</b>	<b>Total Recommendations</b>
1.	Kilmore Quay Extension	No rating	0
2.	Courtown Breakwater	No rating	0
3.	Enniscorthy Residual Network	Satisfactory	0
4.	New Ross Residual Network	Satisfactory	0
5.	Enniscorthy Flood Defence Scheme	Substantial	0
6.	Energy Efficiencies LA Houses 2014	Satisfactory	0
7.	Energy Efficiencies LA Houses 2015	Satisfactory	0
8.	Collection System Extension*	Partial	1

\*from 2014 QA review

A formal report on the In-depth review has been completed and submitted to the Management Team within Wexford Council. There is a general sense of satisfactory compliance with the Public Spending Code with only 1 specific recommendation arising in relation to the Collection System Extension – Follow up from 2014 Public Spending Code review. This is a Water Services Project, the contract for which would have migrated to Irish Water following the transfer of the Water Authority responsibility to Irish Water on 1<sup>st</sup> January 2014. The recommendation surrounds the post project review for this project. The Project was completed in mid 2014 and there seems to be a lack of understanding as to the responsibility for the Post Project Review and the recommendation is that this responsibility be determined as a matter of urgency and agreement reached on which party i.e. the local authority or Irish Water, is deemed responsible for the post project review and that arrangements be made to ensure it is completed at an early date. At the time of this review, the matter still remains outstanding.

## Conclusion

This report has set out all the requirements of the Quality Assurance aspect of the Public Spending Code.

- A Project Inventory has been prepared outlining the various projects/programmes – capital and revenue that were being considered, being incurred or recently completed by Wexford County Council in 2015.
- The relevant publication in relation to procurements over €10m has been placed on Wexford County Council's website.
- The 7 checklists required to be completed under the terms of the Public Spending Code Quality Assurance requirement have been completed and provide reasonable assurance that there is satisfactory compliance with the Public Spending Code.

The level of compliance reported would suggest there are elements of the expenditure life cycle that could be improved but nothing of a serious nature was highlighted during this compliance exercise.

- A more in-depth review of a sample of the projects contained in the Project inventory has been completed and further confirmed that there is, in general, satisfactory compliance with the requirements of the Public Spending Code. Eight Projects were examined and only one recommendation arose from the review. This recommendation related to the establishment of responsibility for compliance with the spending code for Water Services projects post transfer of the water authority to Irish Water. The recommendation arose in 2014 and has yet to be finalised.
- The final step of the QA exercise, as required under the Public Spending Code, is the compilation and publication of a summary report outlining the Quality Assurance Exercise undertaken by Wexford Co Council. The contents of this report provide an overview on the QA exercise completed which has been certified by the Accounting Officer, Chief Executive.

Overall the QA exercise has provided reasonable assurance to the management of Wexford Co Council that the requirements of the Public Spending Code are being met.

The Public Spending Code has only been recently introduced to the Local Government Sector and while the results of the 2015 QA are satisfactory it is acknowledged that additional improvements in both the compliance at project level and in the QA exercise.

It is noted that the Department of Public Expenditure & Reform has recently initiated training workshops for the Local Government Section and it is expected that relevant staff will attend these information sessions when they arise.

The ongoing development of specific guidance in relation to the QA requirements from a local government perspective and the experience gained by staff completing the exercise for the 2015 projects will further enhance the process for future years.

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

### Wexford County Council

#### 2015 Inventory of Projects and Programmes over €0.5m

The following contains an inventory of Expenditure on Projects/Programmes with a value above €0.5m, categorised by Expenditure being considered, Expenditure being incurred and Expenditure recently ended. Only projects with Total Project Expenditure matching these criteria are included in the Inventory table

Local Authority	Expenditure being considered			Expenditure being incurred		Expenditure recently ended		
	Current	Capital Grant Schemes > €0.5m	Capital Projects	Current Expenditure	Capital Grant Schemes > €0.5m	Current Expenditure	Capital Grant Schemes > €0.5m	Capital Projects
	> €0.5m	> €0.5m	€0.5 - €5m €5m - €20m €20m plus	€m	€m	€m	€m	€m
Local Authority								
Wexford County Council	€m	€m	€m	€m	€m	€m	€m	€m
<b>Housing &amp; Building</b>								
9 Units Baile Eoghain Gorey			€1.30					
10 Units Killeens, Wexford			€1.50					
8 Units Cherryorchard Infill			€1.10					
26 Units Clonard, Wexford			€3.40					
Wexford Women's Refuge Proposal			€1.00					
Purchase of Land for Housing Purposes								
Taghmon 16 Houses			€1.50					
Holyfort 6 Units			€2.30					
New Dawn - Clonard (8 Units)			€0.75					
16 Houses McMurrough Court New Ross			€0.80					
						€2.80		









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## Appendix B – Checklists of Compliance

### Checklist 1: – 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
Does the Local Authority ensure, on an ongoing basis that appropriate people within the authority and in its agencies are aware of the requirements of the Public Spending Code?	3	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)	2	Training is only currently being rolled out within the sector and it is expected that WCC staff will engage with this training
Has internal training on the Public Spending Code been provided to relevant staff?	2	All available information on the PSC has been circulated to relevant staff
Has the Public Spending Code been adapted for the type of project/programme that your authority is responsible for? i.e. have adapted sectoral guidelines been developed?	3	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 project relevant to the PSC
Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Local Authority and to your agencies?	3	Yes. The recommendation from the previous report has been submitted to the relevant section of the LA
Have recommendations from previous Quality Assurance exercises been acted upon?	1	Not at this point – Issue relates to a project now with Irish Water
Has an annual Public Spending Code Quality Assurance Report been submitted to NOAC (National Oversight and Audit Commission)?	3	Yes
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	3	Yes
Has the Chief Executive signed off on the information to be published to the website?	3	Yes

**Checklist 2 - Capital Expenditure being considered** – to be completed in respect of capital projects or capital programme/grant scheme that is or was under consideration in the past year.

<b>Capital Expenditure being considered - Appraisal and Approval</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
Was a Preliminary Appraisal undertaken for all projects > €5m	3	The only projects listed at this level are under the direction of other bodies who complete the appraisal
Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	3	Yes, in conjunction with the relevant government body/agency
Was a CBA/CEA completed for all projects exceeding €20m?	N/A	The only projects listed at this level are under the direction of other bodies who complete the appraisal
Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	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)?	2	Required to secure grants
If a CBA/CEA was required was it submitted to DPFR (CEEU) for their views?	N/A	The only projects listed at this level are under the direction of other bodies who complete the appraisal
Were the NDFA Consulted for projects costing more than €20m?	N/A	The only projects listed at this level are under the direction of other bodies who complete the appraisal
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	Tenders were in line with approvals
Was approval granted to proceed to tender?	3	Yes
Were Procurement Rules complied with?	3	Yes
Were State Aid rules checked for all supports?	N/A	N/A for Local Government
Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	Yes
Were Performance Indicators specified for each project/programme that will allow for the evaluation of its efficiency and effectiveness?	2	No
Have steps been put in place to gather Performance Indicator data?	2	No

### Checklist 3: - Current Expenditure being considered

New Current expenditure or expansion of existing current expenditure under consideration

Current Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Were objectives clearly set?	3	Outlined to Members of Council as part of the budget process
Are objectives measurable in quantitative terms?	-	To an extent
Was an appropriate appraisal method used?	N/A	Not new expenditure
Was a business case incorporating financial and economic appraisal prepared for new current expenditure?	N/A	Not new expenditure
Has an assessment of likely demand for the new scheme/ scheme extension been estimated based on empirical evidence?		To a degree – the expenditure was as a direct result of the urban authority amalgamation initiative
Was the required approval granted?	3	As part of the budget process
Has a sunset clause been set?	N/A	
Has a date been set for the pilot and its evaluation?	N/A	
Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	
If outsourcing was involved were Procurement Rules complied with?	N/A	Procurement does feature and was complied with.
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?	3	The expenditure will form part of the National KPIs for LG
Have steps been put in place to gather Performance Indicator data?	3	Yes

### Checklist 4: - Incurring Capital Expenditure

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

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	3	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?	2	In most cases
Did budgets have to be adjusted?	Yes	Yes, up and down
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	No
If circumstances did warrant questioning the viability of a project, was the project subjected to adequate examination?	N/A	N/A
If costs increased, was approval received from the Sanctioning Authority?	3	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	No
For significant projects were quarterly reports on progress submitted to the MAC and to the relevant Department?	3	Updates are provided to the MT and council on a monthly basis and to relevant bodies periodically as required.

### Checklist 5: - Incurring Current Expenditure

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Are there clear objectives for all areas of current expenditure?	3	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 and SMDWs will enhance this measurement
Are outcomes quantified on a regular basis?	2	The development of the Annual Service Plans and SMDWs will enhance this measurement
Are unit costings compiled for performance monitoring?	3	National KPIs are in place for Local Government
Is there a method for monitoring effectiveness on an ongoing basis?	2	Yes Budget performance and monitoring is in place.
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
How many formal VFMs/FPAs or other evaluations have been completed in the year under review?		Not clear of relevance to Local Government
Have all VFMs/FPAs been published in a timely manner?		Not clear of relevance to Local Government
Is there a process to follow up on the recommendations of previous VFMs/FPAs and other evaluations?		Not clear of relevance to Local Government
How have the recommendations of VFMs, FPAs and other evaluations informed resource allocation decisions?		Not clear of relevance to Local Government

## Checklist 6: - Capital Expenditure Completed

To be completed if capital projects were completed during the year or if capital programmes/grant schemes matured or were discontinued.

Capital Expenditure Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
How many post project reviews were completed in the year under review?	1	Only 1 completed project recorded for 2015 inventory
Was a post project review completed for all projects/programmes exceeding €20m?	N/A	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?	3	Issue has arisen in terms of responsibility post Irish Water takeover of Water Services
Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?	N/A	N/A
Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?	N/A	N/A
Were project reviews carried out by staffing resources independent of project implementation?	N/A	N/A

**Checklist 7: - Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued.** (To be completed if current expenditure programmes reached the end of their planned timeframe during the year or were discontinued.)

<b>Current Expenditure that (i) reached the end of its planned timeframe or (ii) Was discontinued</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
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
Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes relevant to PSC in 2015
Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes relevant to PSC in 2015
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 2015
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.