

**Public Spending Code:
Quality Assurance Report for 2019
Offaly County Council**



Comhairle Chontae Uíbh Fhailí
Offaly County Council

Submitted to the National Oversight and Audit Commission (NOAC) in
Compliance with the Public Spending Code

Certification

This Annual Quality Assurance Report reflects Offaly 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.



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1. Introduction

Offaly County Council (OCC) 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 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 the organisation to self-assess their 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.

Revenue Projects selected must represent a minimum of 1% of the total value of all Revenue Projects reported on the Project Inventory.

Capital Projects selected must represent a minimum of 5% of the total value of all Capital Projects reported on the Project Inventory.

These minimums are an average over a rolling three-year period.

5. Complete a short report for the National Oversight and Audit Commission

This report should include the inventory of all projects, the website reference for the publication of procurements above €10m, the completed checklists, the organisation's judgment on the adequacy of processes given the findings from the in-depth checks and the organisation's proposals to remedy any discovered inadequacies.

This report fulfils the fifth requirement of the QA Process for Offaly County Council for 2019. This is the fifth year in which the QA process has been completed by Local Authorities.

2. Expenditure Analysis

2.1 Inventory of Projects/Programmes

This section details the inventory drawn up by Offaly County Council in accordance with the guidance on the Quality Assurance process. The inventory lists all of the Council's projects and programmes at various stages of the project life cycle that amount to more than €0.5m. This inventory is divided between current (revenue) and capital expenditure (capital grant schemes and capital projects) and between three stages:

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

Table 1 lists a summary of the Council's compiled inventory.

Table 1: Summary of Number of Projects/Services and Expenditure by Category				
Projects of total value	Current Expenditure	Capital Expenditure		
	>€0.5m	€0.5m - €5m	€5m - €20m	Over €20m
Expenditure Being Considered	4	2	4	
Expenditure Being Incurred	33	10		
Expenditure Recently Ended		3	1	
Total Value (€138.2m)	€69.2m	€30.5m	€38.5m	

Expenditure Being Considered

Table 1 provides a summary of the inventory of expenditures above €0.5m being considered by OCC. As the table identifies, there are 4 programme/service area where there is expansion of existing current expenditure being considered in 2019.

There are six capital projects under the category of 'Expenditure Being Considered' in 2019, four of which are in the €5 - €20M category.

Expenditure Being Incurred

Table 1 provides a summary of the inventory of expenditures above €0.5m being incurred by OCC. There are thirty-three projects or services, which are currently incurring current (revenue) expenditure of over €0.5m. The majority of these services are routine annual expenditure e.g. Housing Maintenance, Road Maintenance. There are 10 capital projects incurring expenditure of €0.5m - €5M.

Expenditure Recently Ended

Table 1 provides a summary of the inventory of expenditures above €0.5m recently ended by OCC. There are four capital expenditure projects under this category and no current expenditure projects within this category. One of the capital expenditure projects recently ended falls into the €5 - €20M category, the other three are between €0.5 - €5M.

The inventory of projects/programmes for OCC is set out in Appendix 1.

2.2 Published Summary of Procurements

As part of the Quality Assurance process Offaly County Council was required to publish summary information on its website of all procurements in excess of €10m.

OCC did not engage in any procurement in excess of €10m in 2019. Therefore, there were no publications on its website www.offaly.ie.

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 Council, in respect of guidelines set out in the Public Spending Code, bases the high level checks in Step 3 of the QA process on self-assessment.

There are seven checklists in total:

Checklist 1: General obligations not specific to individual projects/programmes.

Checklist 2: Capital projects/programmes & capital grant schemes under consideration.

Checklist 3: New current expenditure under consideration.

Checklist 4: Capital projects/programmes & capital grants schemes incurring expenditure.

Checklist 5: Current expenditure programmes incurring expenditure.

Checklist 6: Capital projects/programmes & capital grant schemes discontinued and / or evaluated.

Checklist 7: Current expenditure programmes that reached the end of their planned timeframe or were discontinued.

Checklists 1,2,3,4,5 and 6 were completed by Offaly County Council (OCC). OCC did not record any expenditure under the category of checklist 7 during 2019; therefore, all responses to this checklist are recorded as non-applicable.

The set of checklists completed by OCC is set out in Appendix 2.

Checklists completed are representative of a 20.7% sample of the Inventory. The following Departments completed checklists: Housing, Roads, Water, Libraries, Fire Services, Finance, Tullamore Municipal District, Arts, Corporate Services and Management.

Each question in the checklists is assessed by a 3-point scale 1-3:

a score of 1 = Scope for significant improvements

a score of 2 = Compliant but with some improvement necessary

a score of 3 = Broadly compliant

3.2 Main Issues Arising from Checklist Assessment

The completed checklists show the extent to which Offaly County Council believe they comply with the Public Spending Code. Overall, the checklists show a good level of compliance with the Code.

Checklist 1 demonstrates that the Council has been proactive in implementing the QA process by ensuring that an independent unit (Internal Audit) oversees the process in line

with Public Spending Code recommendations. Process guidelines were prepared and circulated to Offaly County Council's Senior Management.

With regard to post project reviews, all revenue expenditure is continually reviewed to highlight areas for improvement. This is a key feature of all team meetings.

Four capital projects were completed recently, however these projects still have some outstanding issues to address before they are officially signed off. As a result, it was not possible to undertake any formal post project reviews of capital projects in 2019. The Council recognise the importance and benefit of post project review and will continue to regularly review revenue spend for improvements and are also committed to developing a formal process to conduct post project reviews of significant capital projects. Briefing sessions for Project Managers will be rolled-out in the Council to increase awareness of the PSC requirements at all stages of project life cycle.

Checklist 2 & 3; for revenue and capital expenditure under consideration suggests good levels of compliance with the PSC in general with regard to areas such as appraisal and planning and the setting of clear objectives.

Checklists 4 & 5; for expenditure being incurred, good levels of compliance are evident in checklists responses. Current expenditure programmes are primarily rolling, year-to-year programmes such as the Housing Maintenance and Road Maintenance programmes and are subject to ongoing performance monitoring, rather than once off reviews.

Checklist 6 & 7; for expenditure discontinued in 2019, there were 4 capital projects that ended in 2019 and no current (revenue) expenditure under this category in 2019. Checklist 6 was completed for a recently ended capital project. The Checklist findings highlighted that the project was still not at a stage where an in – depth check could be carried out.

Of all the responses recorded through the checklists, the majority indicated a compliance level of 3 '*broadly compliant*' with the requirements of the PSC. Trends in responses to checklists will be monitored from year to year and responses indicating compliance levels of 2 '*compliant but with some improvement necessary*' and under will be followed-up and monitored as part of the quality assurance process in future years.

3.3 In-Depth Checks

The following section details the in-depth checks, which were carried out in OCC as part of the Public Spending Code. The Internal Audit Unit of OCC undertook these reviews.

The following projects were selected for in-depth review:

- Current Expenditure Programme: 'Being Incurred' 'Rural Water Programme',
€1,450,000

- Capital Project: 'Being Considered' 'Edenderry Library and Arts Space €9,000,000.

An overall 'Satisfactory Assurance' rating of compliance with the Public Spending Code was assigned following the reviews.

The report from the in-depth reviews is set out in Appendix 3.

The Guidance Document issued for the Local Government Sector sets out the criteria for in-depth checks as follows:

- Capital Projects: Projects selected must represent a minimum of 5% of the total value of all capital projects on the project inventory.
- Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all revenue projects on the project inventory.

This minimum is an average over a three-year period (2017-2019).

Table 2 below outlines the percentage of projects subjected to in-depth review over the previous three years. As per the table Offaly County Council is compliant with the rolling percentage requirements.

Table 2: OCC In-depth Checks 2017 - 2019					
		2017	2018	2019	Overall Total
Capital	Total Reported	€43.9	€59.0	€69	€171.9
	In-depth Check	€1.5	€2.3	€9	€12.8
	%	3%	4%	13%	7.4%
Revenue	Total Reported	€52.9	€66.7	69.2	€188.8
	In-depth Check	€0.8	€0.9	€1.45	€3.14
	%	1.5%	1%	2%	1.66%
(All figures in Millions)					

4. Next Steps: Addressing Quality Assurance Issues

The compilation of both the inventory and checklists for the fifth year of this QA process was 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.

As discussed in Section 3, in-depth checks carried out for one Current Programme 'Being Incurred' and one Capital Project 'Being Considered' was useful in terms of setting out the controls, which are place to ensure compliance with the PSC.

However, the PSC also requires that in-depth checks take a broader evaluation of project/programmes assessing project management, project appraisal and post project reviews.

Now that an inventory of projects and programmes is in place, the Internal Audit Unit is better positioned to select an appropriate sample of programmes for further assessment via the in-depth check process.

Due to limitation of set parameters for in-depth checks and the timelines of the project completion, Offaly County Council had limited options when selecting projects for in-depth reviews as part of this quality assurance process. For projects reported as recently ended, sufficient time had not lapsed from when the project ended to allow for formal post project review and in-depth check. Internal Audit made enquiries as to the status of the four completed projects during the checklist collation process, and were informed that some issues remained outstanding in each.

Project Managers are aware of the Public Spending Code requirements and will be informed of the quality assurance in-depth check process and will be asked to submit relevant documentation on the selected programmes.

5. Conclusion

The inventory outlined in this report clearly lists the current and capital expenditure being considered, being incurred and recently ended in 2019. The Council had no procurements in excess of €10 million in 2019; therefore, there was no requirement for publication on its website, this information was confirmed by OCC Procurement Officer during the 2019 PSC process.

The checklists completed by the Council show a high level of compliance with the Public Spending Code.

The in-depth checks carried out on the selected projects indicated a 'satisfactory assurance' rating on the Council's compliance with the Code. Recommendations from the in-depth reviews will be addressed and implemented.

This Public Spending Code Quality Assurance Report for 2019 will be published on Offaly County Council's website www.offaly.ie.

Appendix 1: 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				Notes	
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital		Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Capital Projects			
			€0.5 - €5m	€5 - €20m								€20m plus		
Housing Programme														
A01 Maintenance / Improvement of LA Housing					€2,349,547									
A03 Housing Rent & Tenant Purchase Administration					€829,928									
A05 Administration of Homeless Services					€1,044,254									
A06 Support to Housing Capital & Affordable Programme					€1,721,387									
A07 RAS Programme					€4,762,595									
A09 Housing Grants					€1,703,031									
Blundellwood, Edenderry (Construction) (0116074C) (33 units)												€7,972,461		Actual spend 2019 €4,816,328 - Final A/C agreed but need to make final claims

Local Authority	Expenditure being considered						Expenditure being incurred			Expenditure recently ended			Notes	
	Current		Capital Grant Schemes >		Capital Projects		> €0.5m		> €0.5m		> €0.5m			
	> €0.5m	€0.5m	€0.5 - €5m	€5 - €20m	€20m plus	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects			
Offaly County Council														
Chancery Lane, Tullamore (Construction)(0116150C)								€4,178,980						Actual Spend 2019 €2,797,890 - ongoing, contract finish in August 2020
Kylebeg Banagher Phase 2(Construction)(0116249C)				€5,341,744										Stage III approval given in May 2020 increases budget to 5.3m
Cloghan - Cluain na Spideoga Turnkey													€1,040,400	
Scurragh ,Birr (CAS/AHB) (6 units)								€1,164,199						
Mount Bolus (CAS)								€850,000						Ongoing, budget amount has increased but not full agreed yet
Birr Macgregor (Turnkey) 12units								€2,195,000						Partially drawn down, budget remains the same
An Corran, Crinkill CALF funding (AHB-Coop Housing)								€1,210,000						
Frankford, Kilcormac, Turnkey (12 Units)													€2,298,607	
Cluain na Greine, Cloneygowan (turnkey 4 units)								€897,600						Drawn down in 2020
Kearneys Field, Tullamore CAF funding (AHB) Oaklee - 4.1units				€9,359,020										Local Authority amount represents 30% of eligible capital outlay proposed.

Local Authority	Expenditure being considered				Expenditure being incurred			Expenditure recently ended			Notes
	Current		Capital		Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
	> €0.5m	€0.5m	€0.5 - €5m	€5 - €20m							
Offaly County Council											
Killane Drove (CAS/CAF funding) (AHB-Tuath) 27 Units		€0.5m	€0.5 - €5m	€5 - €20m	€20m plus						2 units CAS €343,537 30%, 25 CALF €1,184,112
Jacksons Hill (AHB Calf project)			€1,155,249			€6,873,333					LA funding represents 30% of the Calf project
Road Transportation and Safety											
B02 NS Road - Maintenance & Improvement							€4,413,210				
B03 Regional Road - Maintenance & Improvement	€1,460,812						€5,269,745				
B04 Local Road - Maintenance & Improvement	€543,391						€7,311,594				
B05 Public Lighting							€1,009,294				
B07 Road Safety Engineering Improvement							€836,391				
B010 Support to Roads Capital Programme							€514,877				
B11 Agency & Recoupable Services							€1,915,842				
Grand Canal Greenway								€3,650,000			Capital Budget 2020 - 2024
Water Services											
C01 Operation & Maintenance of Water Supply							€2,230,745				
C02 Operation & Maintenance of Waste Water Treatment							€1,472,684				

Local Authority	Expenditure being considered						Expenditure being incurred			Expenditure recently ended			Notes
	Current		Capital Grant Schemes >		Capital		Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	
	> €0.5m	€0.5 - €5m	€5 - €20m	€20m plus	Capital Projects								
Offaly County Council		€0.5m	€0.5 - €5m	€5 - €20m	€20m plus		€1,456,669						
C05 Admin of Group & Private Installations													
Development Management													
D01 Forward Planning							€754,518						
D02 Development Management							€1,500,412						
D06 Community & Enterprise Function	€2,244,203						€3,586,706						
D09 Economic Development & Promotion	€1,028,425						€1,833,193						
Tullamore Enhancement Plan - 0437602C									€3,887,119				Actual Expenditure figure 2019. €3m ERDF (breakdown ERDF €1.5 matched with OCC €1.5 funds). €4m URDF (breakdown URDF €3m matched with €1m OCC Funds)
Slieve Bloom Mountain Trail										€1,260,349			
Environmental Services													
E01 Operation, Maintenance & Aftercare of Landfill							€869,861						

Local Authority	Expenditure being considered						Expenditure being incurred			Expenditure recently ended			Notes
	Current		Capital Grant Schemes >		Capital		Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	
	> €0.5m	€0.5m	€0.5 - €5m	€5 - €20m	€20m plus								
Offaly County Council													
E02 Operation. Maintenance of Recovery & Recycling Facilities							€658,297						
E04 Provision of Waste to Collection Services							€1,214,242						
E04 Street Cleaning							€518,952						
E07 Waste Regulations, Monitoring & Enforcement							€753,271						
E11 Operation of Fire Service							€3,034,011						
Tullamore Fire Services Training Centre - Extension			€1,081,727										
Recreation and Amenity													
F02 Operation of Library & Archival Service							€2,520,873						
F05 Operation of Arts Programme							€814,489						
Tullamore Community Arts Centre - 0642001C									€4,500,000				Capital Budget figure 2020-2024
Edenderry Community Library				€9,000,000									Capital Budget 2020-2024 DECLG Funding €1.9m, OCC Dev Con €1.1m. Actual spend in 2019 €520,778. Note: Separate RRDF funding application will be progressed in 2021.

Local Authority	Expenditure being considered						Expenditure being incurred			Expenditure recently ended			Notes	
	Current		Capital Grant Schemes >		Capital		Current Expenditure	> €0.5m		Current Expenditure	> €0.5m			
	> €0.5m	€0.5m	€0.5 - €5m	€5 - €20m	€20m plus	Capital Projects		Capital Projects	Capital Schemes		Capital Schemes	Capital Projects		Capital Projects
Offaly County Council														
Clara Swimming Pool													€1,154,578	€784k Grant Dep Transport Tourism & Sport
Other Programmes														
H01 Profit & Loss Machinery Account							€967,116							
H03 Administration of Rates							€3,180,333							
H09 Local Representation & Civic Leadership							€1,464,840							
H10 Motor Taxation							€693,244							
H11 Agency & Recoupable Services							€757,937							
Inventory Total	€5,276,831	€0	€2,236,976	€30,574,097	€0	€0	€63,964,088	€0	€23,793,247	€0	€0	€0	€12,466,046	

Appendix 2: Self-Assessment Checklists

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	Communication with Management Team / Senior Management Group and Procurement Policy.
1.2 Has training on the Public Spending Code been provided to relevant staff within the authority?	2	PSC information update delivered to all staff through Procurement Newsletter. Briefing Sessions and training for Project Managers in Offaly County Council previously delivered. Awaiting confirmation of National Training Programme for Local Authority Sector.
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	QA Process adapted for LAs. PSC applied as per guidelines.
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?	3	Compliance with procurement monitored, regular meetings, transparency. Templates are in use and specific required documentation is requested from applicants for some funding.
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies?	2	Project Brief now a requirement for all capital projects. Internal Audit completes follow-ups on implementation of recommendations.
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. Compliant in years 2014-2018.
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	All revenue expenditure is subject to ongoing review. Issues are highlighted, reviewed and addressed at team meetings. A process is being put in place for evaluations / post-project reviews.
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?	3	As above.
1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews?	3	Lessons learned noted and implemented across all departments.
1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions?	3	Projects managed more efficiently as a result of reviews. Decisions were made on increases in match funding.

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

Killane Drive Housing

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, part of the 4 stage process. Stage 1 captures the appraisal of the project.
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	3	Yes, part of the 4 stage process. Stage 1 captures the appraisal of the project
2.3 Was a CBA/CEA completed for all projects exceeding €20m?	N/A	
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	N/A	
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, Stage 2 approval to progress to planning was received on 3rd July 2017
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views?	-	Not required
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, approval in principle was attained via Stage 3 prior to going to tender
2.9 Was approval granted to proceed to tender?	3	Yes, Stage 3 issued on 29th May 2018 (approval to go to tender)
2.10 Were procurement rules complied with?	3	Yes, procured by an Approved Housing Body using E-Tenders
2.11 Were State Aid rules checked for all supports?	2	No formal check in place however it would be unusual for housing project to receive funding from other sources
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	Costs were below predicted amounts, this was all coordinated by the AHB and not the local authority

<p>2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date?</p>	<p>3</p>	<p>The most significant performance indicators are cost and time and can be easily evaluated post project.</p>
<p>2.14 Have steps been put in place to gather performance indicator data?</p>	<p>2</p>	<p>Information on time and budget are available from the AHB on request.</p>

Checklist 3 – To be completed in respect of new current expenditure under consideration in the past year. Local Road Maintenance and Improvement

Current Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
3.1 Were objectives clearly set out?	3	Annual Roads Programme
3.2 Are objectives measurable in quantitative terms?	3	Annual Roads Programme; Pavement Management System, Agresso
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	3	Annual Roads Programme
3.4 Was an appropriate appraisal method used?	N/A	
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	N/A	
3.6 Did the business case include a section on piloting?	N/A	
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	
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	N/A	
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	3	Annual Roads Programme; Pavement Management System
3.11 Was the required approval granted?		Annual Roads Programme; DTTAS Grant Allocation
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?	3	NOAC Service Indicators R1 & R2
3.15 Have steps been put in place to gather performance indicator data?	3	NOAC Service Indicators R1 & R2 compiled by RMO from PMS; verified by OCC

Checklist 4 – To be completed in respect of capital projects/programmes & capital grants schemes incurring expenditure in the year under review Tullamore Arts Centre 2019

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	Design team contract was novated from Tullamore Community Arts Centre Committee to Offaly County council on the 10th October 2019. The contract is now being managed by DOS.
4.2 Did management boards/steering committees meet regularly as agreed?	3	Regular meetings held by the Board of TCAC Ltd, by Design & Construction Sub-Committee of the Board and management of OCC
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	Construction sub committee of TCAC plus management of OCC.
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	DOS, appointed to lead team in January 2020. Executive Engineer assigned to project.

4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Construction phase only commenced in March 2020 – monitoring of progress taking place on a regular basis – review ongoing
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	As above
4.7 Did budgets have to be adjusted?	3	Design Team budget reviewed April 2020. Construction phase in progress – monitoring of progress taking place on a regular basis - review ongoing.
4.8 Were decisions on changes to budgets / time schedules made promptly?	3	Construction phase in progress – monitoring of progress taking place on a regular basis - review ongoing.
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 progress, changes in the environment, new evidence, etc.)	3	Construction phase in progress – monitoring of progress taking place on a regular basis - review ongoing.
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?	3	Construction phase in progress – monitoring of progress taking place on a regular basis - review ongoing.
4.11 If costs increased was approval received from the Sanctioning Authority?	3	Construction phase in progress – monitoring of progress taking place on a regular basis - review ongoing.
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?	3	Construction phase in progress – monitoring of progress taking

		place on a regular basis - review ongoing.
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Checklist 5 – To be completed in respect of current expenditure programmes incurring expenditure in the year under review

Motor Taxation

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 – Provision of Motor Tax for Offaly
5.2 Are outputs well defined?	3	Number of Transactions completed, Monies Received Monthly returns Annual Audit
5.3 Are outputs quantified on a regular basis?	3	Yes – regular review of numbers/Values County Checker oversight Quarterly Stock checks Monthly float checks
5.4 Is there a method for monitoring efficiency on an on-going basis?	3	Yes – transaction Processed, Monies received County Checker oversight Quarterly Stock checks Monthly float checks
5.5 Are outcomes well defined?	3	Yes Outstanding / Requested changes actioned e.g. Annual Audit Report
5.6 Are outcomes quantified on a regular basis?	3	Yes – Monthly Quarterly reporting of Statistics to Motor Tax Shannon, and national reporting by Dept of Transport
5.7 Are unit costings compiled for performance monitoring?	N/A	

5.8 Are other data compiled to monitor performance?	3	Standard Operating Procedures established. Additional governance activities performed.
5.9 Is there a method for monitoring effectiveness on an on-going basis?	3	Transaction processed Standard Operating Procedures established. Additional governance activities performed.
5.10 Has the organisation engaged in any other 'evaluation proofing' ¹ of programmes/projects?	3	Ongoing Review of operating time, Counters needed OMTO established pilot MS Teams for all MTOs in the country to ensure consistency in practices.

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

Blundell Wood Edenderry Housing

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?	2	None- The only projects completed in the year were turnkey projects which by definition require little intervention from the LA
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?	2	Projects that progress through the 4 Stage Capital Approval process will require a post project review whereby critical analysis and feedback is provided on 100% of projects when they are available to review.
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?	3	The post project review is being developed alongside the penultimate claim for this project. It is our preference that the defects liability period is close to expiration before we submit same to the department.
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	3	Yes and review recommendations continue to guide current and future project management decisions.
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	3	Most of what was learned relate to design issues and how to better protect our interests in relation to contractor claims and overruns.

		However public works contracts remain litigious and time consuming
6.8 Were project reviews carried out by staffing resources independent of project implementation?	3	All stages of the project from inception to completion are independently reviewed by the department

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 expenditure in this category.
7.2 Did those reviews reach conclusions on whether the programmes were efficient?	N/A	
7.3 Did those reviews reach conclusions on whether the programmes were effective?	N/A	
7.4 Have the conclusions reached been taken into account in related areas of expenditure?	N/A	
7.5 Were any programmes discontinued following a review of a current expenditure programme?	N/A	
7.6 Were reviews carried out by staffing resources independent of project implementation?	N/A	
7.7 Were changes made to the organisation's practices in light of lessons learned from reviews?	N/A	

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, N/A is marked and appropriate comments are provided.

**Appendix 3: Summary Report Arising from In-depth Check of Two
Projects**

Public Spending Code

Quality Assurance 2019: Step 4 In-depth Check,

completed by Internal Audit,

Offaly County Council.



Comhairle Chontae Uíbh Fhailí
Offaly County Council

August 2020

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Introduction and Summary of Findings

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Introduction and Summary of Findings

Step 4 of the Public Spending Code QA process requires all Local Authorities to 'Carry out a more in-depth checks on a small number of selected projects/programmes'.

The Guidance Document issued for the Local Government sector sets out the criteria for in-depth checks as follows:

- Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all revenue projects on the project inventory.
- Capital Projects: Projects selected must represent a minimum of 5% of the total value of all capital projects on the project inventory.

This minimum is an average over a three-year period.

Internal Audit was appointed by the Chief Executive of Offaly County Council to complete step 4.

The purpose of the review was to provide an independent professional opinion on compliance with the Public Spending Code and, more specifically, the quality of the appraisal, planning, and implementation of work done within each programme. The projects were examined in order to assess if the practices implemented are of a high standard.

The following projects were selected by the Internal Audit Unit for In-depth Review:

Project Name	Project Category (2019)	Project Budget / Expenditure
Rural Water Programme	Current Expenditure – Being Incurred	€1,450,000
Edenderry Library and Arts Space	Capital Expenditure – Being Considered	€9,000,000

The total value of Offaly County Council's Inventory listing for 2019 was €138,311,285 (includes Current (Revenue) and Capital Expenditure). Therefore, the above two projects represent a sample of approximately 7.55% of the total inventory.

The audit related to the stage at which these projects were identified as being at during the year 2019.

Summary of Findings

Given the outcome of the reviews summarised individually below, it is our opinion that there is, overall, 'Satisfactory Assurance' (see Appendix 1) that there is compliance with the Public Spending Code within Offaly County Council.

Project 1: Current (Revenue) Expenditure Programme €1,450,000

A Review at the 'Implementation Stage' of the Rural Water Programme, revenue expenditure took place as part of this in – depth check. This programme was categorised as 'Current Expenditure Being Incurred' in the 2019 Public Spending Code Quality Assurance Inventory listing.

Based on a- review of documentation/data this programme provides 'Satisfactory Assurance' that there is compliance with the Public Spending Code.

At the 'Implementation Stage' of the current expenditure the following is required:

- Assigned responsibility for delivery
- An appropriate structure to monitor and manage the implementation phase
- Regular meetings
- A means of measuring if the project/programme is delivering on its expectations.

Offaly County Council's Rural Water Programme has a management structure in place for the programme delivery and co-ordination. The Director of Services for Environment and Water has overall responsibility for the programme. OCC's Rural Water Liaison Officer has responsibility for management and oversight of the programme, including Technical and Clerical staff procedures. Data base systems are utilised for monitoring faults, repairs and test results, subsidy expenditure and recoupments from the Department of Housing Planning & Local Government.

To enhance compliance and for future evaluation, some recommendations have been made in relation to regular meetings, improving the means for measuring programme delivery, performance indicators, reporting on the

programme performance and outcomes and record keeping. The Water Services Department have noted the recommendations and confirmed these will be implemented. Internal Audit will complete a follow-up on recommendations at a later date.

Project 2: Capital Expenditure Programme €9,000,000

The following section presents a summary of the findings of this In-Depth Check on the Edenderry Library and Arts Space

Summary of In-Depth Check

This project was categorised as Capital Expenditure under consideration in the 2019 PSC Inventory listing. The review of this project was on the appraisal and planning elements.

At the 'Appraisal' Stage of the capital expenditure the following steps are required:

- i. Define the objective
- ii. Explore options taking account of constraints
- iii. Quantify the costs of viable options and specify sources of funding
- iv. Analyse the main options
- v. Identify the risks associated with each viable option
- vi. Decide on a preferred option
- vii. Make a recommendation to the Sanctioning Authority

Offaly County Council prepared 4 detailed Capital Appraisal Documents and submitted same to DRCD. The steps above were followed, but greater detail needs to be recorded on file of decision making process for site selection and formal approval for purchase of premises.

A Director of Service is assigned responsibility as project manager for each stage of the capital project. The Director leads the Project Management Team consisting of the County Librarian and a Senior Executive Engineer. This team is responsible for the tendering and implementation of the design and construction of each phase of the projects implementation including procurement and development of funding applications, in collaboration with the Councils Special Project Team section. Applications for project funding are also developed in collaboration with the Special Projects Section.

Based on a review of documentation this project at 'appraisal stage' provides 'Satisfactory Assurance' that there is compliance with the Public Spending Code. The final decision on progression of the project will be subject to a successful application by OCC to the DRCD for Rural Regeneration Funding. The future application process to the DRCD will provide further proof of the projects value for money, which in turn insures it is in keeping with required Public Spending Code appraisal steps.

Appendix 4: In-depth Check Reports

Public Spending Code 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	Administration Rural Water Programme 2019
Detail	Revenue Programme regarding the annual administration of group and private water schemes.
Responsible Body	Offaly County Council
Current Status	Expenditure Being Incurred
Start Date	January 2019
End Date	December 2019
Overall Cost	€1.45 Million

Project Description

Local Authorities & Water Services

Offaly County Council is responsible for the administration of grant funding for group and private water schemes in its administrative area. This area encompasses, both urban and rural communities throughout the county of Offaly. In 2019 OCC paid subsidies to 17 Group Water Schemes – 16 privately sourced schemes and 1 publicly sourced. Two schemes completed an amalgamation process in 2019, while another two are due to be fully amalgamated by the end of 2020. There are also a number of schemes which are mostly served by the public supply administered by Irish Water. These schemes are due to be taken in charge by IW and so subsidies are not paid or applicable in their circumstances.

Offaly County Council's Water Scheme subsidies are administered annually and are managed by the Environment & Water Services Section. Expenditure comprises principally of an annual subsidy to private users and group scheme private networks.

The terms and conditions applicable to annual subsidy's payable by local authorities towards the operational costs of group water schemes are provided by the Department of Housing, Planning, Community and Local Government. For subsidy purposes, a group water scheme is defined as:

"A scheme providing a private supply of water to two or more houses by means of a common or shared source of supply and distribution system"

Houses with individual connections to a common source of supply using separate abstraction and distribution systems do not constitute a group water scheme for the purposes of the subsidy.

SUBSIDY TYPES

A group water scheme may obtain a water supply from either an Irish Water main or from a private source such as a lake, well, borehole, etc. The subsidy is divided into three categories that are structured to take account of the differing operational arrangements and costs arising in each case.

Subsidy A: This subsidy is payable towards the general operational and management costs of all group water schemes.

Subsidy B: This subsidy is payable towards Operational and Maintenance (O&M) costs associated with "bona fide" Design/Build/Operate (DBO) contracts for group schemes that have their own water treatment facilities.

Subsidy C: This subsidy is a supplementary subsidy available, in addition to Subsidy A, to incentivise small private group water schemes of less than 100 houses that agree to advance

to and progress an amalgamation and/or rationalisation strategy involving their merger into a new, more sustainable entity.

The terms and conditions of the subsidy set out, applied with effect from 1st January 2015.

Offaly County Council's expenditure for administering the service in 2019 was €1,456,669. An increase of €204,553 in expenditure for the programme in 2018. These costs included provision for Group Water Scheme Subsidy drawdowns; outstanding amounts for 2018 Group Water Scheme subsidies, and advanced payments for 2019. The budget also takes into account the salary of Offaly County Councils Rural Water Liaison Officer and of other technical and clerical staff working on the Rural Water Programme. In line with the conditions outlined in Circular L4/98, up to €35,552.67 per annum can be considered for recoupment in cases where the Liaison Officer is assigned on a full time basis to the Rural Water Programme. In cases where the officer appointed is assigned other duties in addition to the Rural Water Programme i.e. part time, up to €15,236.86 can be considered for payment.

Subsidy costs are recouped from the Department of Housing, Planning and Local Government on a half yearly basis. Partial costs for the salaries are also recouped from the Department at year's end. In 2019 Offaly County Council recouped €1,167,603 from the DHPLG towards GWS subsidy costs and €56,051.66 from the Department towards partial salary costs of the Rural Water Liaison officer, two Technical staff and a Clerical Officer.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit have completed a Programme Logic Model (PLM) for the Rural Water Programme. 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"> Sustained improvements in the quality of drinking water in Private and Rural Water Supplies To continue the programme of upgrading Group Water Schemes in the interest of public health and greater efficiencies in expenditure of public funding. 	<ul style="list-style-type: none"> Budget Allocation of €1,456,669 in 2019. Staff resources including Rural Water Liaison Officer and technical and administrative staff from Water Services 	<ul style="list-style-type: none"> Monitoring and testing Group Water Scheme Infrastructure and output. Monitoring of the county's Group Water Schemes through contact with elected representatives, the group scheme sector and rural organisations on the Offaly Rural Water 	<ul style="list-style-type: none"> Multi Annual Rural Water programme (MARWP) 2019 – 2021 approved and forwarded to the Department 2019 GWS subsidy's assessed, calculated approved and paid to GWS 2019 subsidy recoupment claimed back from DHPCLG 3 of 19 Group Water Schemes completed scheme upgrades under MARWP 19 – 21 during 2019 	<ul style="list-style-type: none"> Improved water quality and connections in the county. Safer usage for the public - health benefits. Achieving targets in relation to number of GWS connected to larger Group or Public Water Schemes Achieving targets in relation to

		<p>Monitoring Committee.</p> <ul style="list-style-type: none"> Monitoring of maintenance contractor's activities by completing spot-checks on capital improvement works. Management of budget/expenditure. Processing of grant/subsidy applications from Group Water Scheme Committees etc, processing payments and compiling data for applications to DHPLG for 	<ul style="list-style-type: none"> 2 Rural Water Monitoring Committee Meetings held during 2019 68 spot checks carried out on GWS in 2019 145 microbiological/operational samples carried out 16 audit water samples carried out on GWS 	<p>upgrades to standard sufficient for advancement to Irish Water network.</p> <ul style="list-style-type: none"> Improved energy efficiency. Economic development benefits.
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		recuperation of subsidy funding.		
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Description of Programme Logic Model

Objectives: The objectives of the Rural Water revenue expenditure programme is; to upgrade and improve group and private water scheme standards throughout the county. The longer term objective being that standards will reach the minimum that are acceptable to Irish Water to consider the takeover of a scheme as and from 1st January 2014. Schemes will only be taken over when deemed fit for purpose and free from significant defects that would impact on customer service, water quality or asset longevity. When a GWS has reached the approved Irish Water standard the quality of water being provided through the scheme is considered appropriate under the European Union water directives legislation.

Inputs: The primary input to the programme was Offaly County Councils revenue expenditure budget of €1.45M. The Council also administers the Multi Annual Rural Water Programme Capital Funding budget of €1,839,865 for 2019- 2021. The revenue funding is utilised to partially pay the salary of the Water Liaison Officer and technical support staff. Primarily revenue funding is used to fund Group Water Scheme subsidies. **Subsidy A:** This subsidy is payable towards the general operational and management costs of all group water schemes and **Subsidy C:** This subsidy is a supplementary subsidy available, in addition to Subsidy A, to incentivise small private group water schemes of less than 100 houses that agree to advance to and progress an amalgamation and/or rationalisation strategy involving their merger into a new, more sustainable entity.

There are currently no GWS in Offaly availing of **Subsidy B** funding. This is payable towards Operational and Maintenance (O&M) costs associated with “bona fide” Design/Build/Operate (DBO) contracts for group schemes that have their own water treatment facilities. Funding for salary and subsidy’s payments are recouped from the Department following end of year returns. Partial subsidy payments can be claimed in advance by GWS once required annual figures of usage and expenditure have been submitted and approved by OCC.

Activities: There were a number of key activities carried out throughout 2019 including: Monitoring and testing Group Water Scheme Infrastructure and output, including water quality tests. Monitoring of the county’s Group Water Schemes through contact with elected representatives, the group scheme sector and rural organisations on the Rural Water Monitoring Committee. Also through quarterly Local Liaison Group meetings between OCC, National Federation of Group Water Schemes and the HSE. Monitoring of maintenance contractor’s activities by completing spot-checks on capital improvement works funded through MARWP, Management of budget/expenditure and processing of grant applications from Group Water Scheme Committees. Processing payments and compiling data for applications to DHPLG for recuperation of subsidy and salary funding, was also undertaken.

Outputs: Having carried out the identified activities using the inputs, the outputs of the project include; Multi Annual Rural Water programme 2019 – 2021 approved and forwarded to the Department for approval. 2019 GWS subsidy’s assessed, calculated approved and paid to GWS including advance payments for year ahead where required. 2019 subsidy

recoupment claimed back from DHPLG following annual reporting. Three scheme upgrades were completed in 2019 and 2 Rural Water Monitoring Committee Meetings were held during 2019. There were also 68 check water samples carried out on Private GWS,

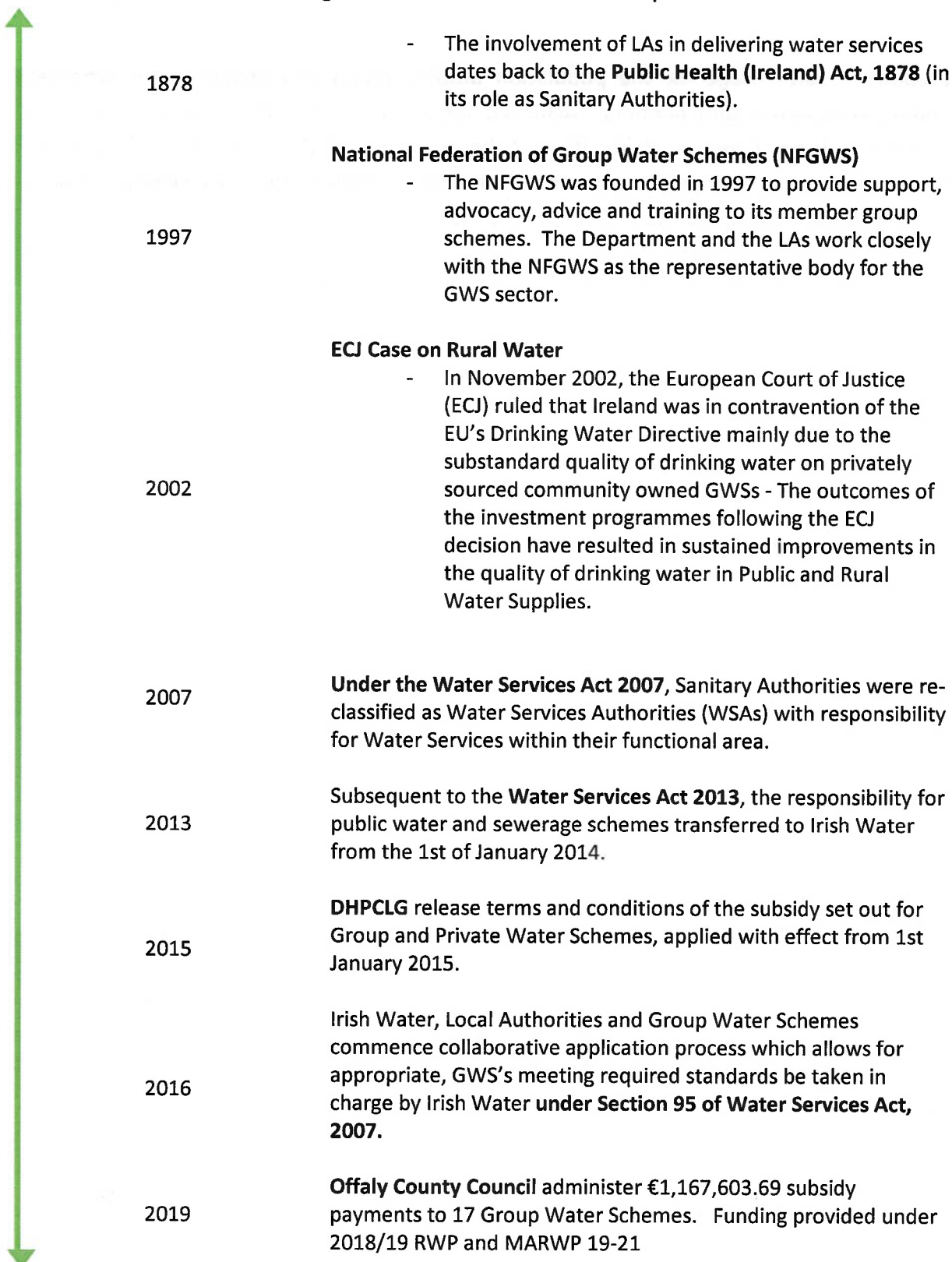
16 audit water samples and 145 microbiological/operational samples carried out on Private GWS during 2019.

Outcomes: The outcomes of the programme are improved water quality and connections in the county. Safer usage for the population utilising group and private water schemes including increased health benefits. Achieved targets in relation to the number of GWS connected to larger Group or Public Water Schemes as per DHPLG Rural Water Directives. Achieving targets in relation to upgrades to standard sufficient for advancement to Irish Water network. Saving in costs through Improved energy efficiency's in treatment and pumping plants through upgrade works. Economic development benefits, through improved business sentiment in the County and improvement in quality of life observations of people looking to live or invest in the county.

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

The following section tracks the Group Water Scheme programme from inception to conclusion in terms of major project/programme milestones.

The Group Water Scheme Programme is an annual revenue expenditure.



Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Group & Private Water Schemes.

Project/Programme Key Documents	
Title	Details
DHPLG Circular L1- 19 - Multi-Annual Rural Water Programme (MARWP) 2019 to 2021.	Framework for Multi-Annual Rural Water Programme 2019-2021 -
DHPLG Circular L2/19 Re: Approval of schemes/projects under the Multi-Annual Rural Water Program 2019–2021 and grant Allocations to Local Authorities for 2019	Confirmation of Ministers, approval of schemes and projects under the Programme for 2019 to 2021.
The NFGWS Quality Assurance (HACCP) System: GWS guide to its implementation Post-Project Review	This document was designed to help group water schemes identify hazards that may affect the quality of drinking water on their supply and it suggests measures that will reduce the risk of contamination
DHPLG Circular L5-16 Explanatory Memorandum (Aug 2016)	This Memorandum sets out the terms and conditions applicable to the annual subsidy payable by local authorities towards the operational costs of group water schemes supplying water for domestic use.
DHPLG Circular L 2/18 (Aug 2018)	Circular informed the Department’s Explanatory Memorandum detailing the Terms and Conditions - on ‘ <i>Subsidy Towards the Operational Costs of Group Water Schemes</i> ’ had been revised in consultation with the NFGWS

Key Document 1: DHPLG Circular L1- 19 - Multi-Annual Rural Water Programme (MARWP) 2019 to 2021 Information for Local Authorities on the 2019 – 2021 Programme and Guidance information for completion of bids for funding attached to the circular.

Key Document 2: DHPLG Circular L2/19 Re: Approval of schemes/projects under the Multi-Annual Rural Water Program 2019–2021. This circular advised of the funding arising from this process for the 2019-2021 period including the 2019 allocations for Measures 1-7 of the Program for all counties. Detailed Offaly’s approved total allocation for 2019 – 2021 of €1,839,865

Key Document 3: The National Federation of Group Water Schemes Quality Assurance (HACCP) System.

This document was designed to help group water schemes identify hazards that may affect the quality of drinking water on their supply and it suggests measures that will reduce the risk of contamination. It explains the rationale for operational monitoring as a core element of Quality Assurance procedures and as a crucial component of Water Safety Planning. It explains the steps that the boards of schemes need to take to establish a sustainable QA operational monitoring system. It identifies key areas that should be monitored at each critical control point – providing Standard Operating Procedures in respect of these – and it includes guidance in relation to sampling. Document provides in detail guide to the expectations and standards of administration and quality assurance control expected of Group Water Scheme committees.

Key Document 4: DHPLG Circular L5-16 Explanatory Memorandum (Aug 2016)

Memorandum provides terms and conditions to subsidy payable to GWS by Local Authorities. Document includes detailed information on: **SUBSIDY A & SUBSIDY B** Rates, general terms and conditions of eligibility, non-eligibility, qualifying expenditure, water quality related expenditure, apportionment of expenditure, interim arrangements and application requirements.

Key Document 5: DHPLG Circular L2/18

Provided Local Authorities with revised Terms & Conditions on Subsidy towards the operational costs of group water schemes. Changes included: Incorporation of the increased subsidy amounts for Subsidy A, Incorporation of new **Subsidy C**, a supplementary subsidy available in addition to Subsidy A to incentivise small privately sourced group water schemes, of less than 100 houses, to progress into more sustainable entities ensuring that their domestic users receive a quality compliant water supply on a consistent long-term basis. Introduction of a prohibition on schemes charging domestic customers, coupled with an excessive use provision, and that use of flat rate or standing charges of domestic customers is prohibited. Introduced an appeal mechanism for applicant schemes to query a local authority's decision on a subsidy payment. The Circular detailed how greater focus on the importance of water conservation with pro-active implementation of water conservation measures becoming a general condition of eligibility. New requirement that, as part of their day-to-day operation of the subsidy scheme, local authorities will carry out a number of spot checks on applicant group water schemes.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Group and Private Water Schemes. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Financial.	Expenditure Monitoring. To accurately measure subsidy expenditure. To review spend on water services and to monitor payment transactions.	Available.
Number of Group & Private Water Schemes currently availing of grant/subsidy in Co Offaly	Monitoring of GWS numbers and amalgamations with other schemes and or to Irish Water Public Scheme	Available
2019-2021 Funding by Local Authority for Measures 1-7 under the Multi-Annual Rural Water Programme 2019–2021.	Assessment of year one expenditure in 2019. Total figure of €1,839,865 approved by DHPLG FOR Offaly GWS under 2019 – 2021 MARWP	Available
DHPLG Grant Payment Invoices	Match expenditure recorded on a gresso for grant subsidies with funding received from Department mid and end of year claims.	Available
Form WS3/18	2019 Recoupment Claim to DHPLG for Subsidies paid to Group Water Schemes	Available
Group Water Scheme funding applications to OCC	Sample check on GWS subsidy applications to ensure appropriate data is being checked by OCC. Also inputted into Department calculation template document before subsidy calculations are made.	Available
Offaly County Council Minutes of Rural Water Monitoring Committee Meetings 2019 & 2018	Assess if OCC Water Services staff are providing the appropriate information of GWS expenditure to the Rural Water Monitoring Committee	Available

Internal procedures	Procedure re Claiming GWS Subsidy Payments from DoCHLG	Partially Available
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Data Availability and Proposed Next Steps

Data requirements listed above as 'Financial' were available and can be extracted from 'Agresso' Financial Management System, the Council's budget book and Annual Financial Statement. This information can be used to monitor ongoing expenditure, reporting and to budget for future costs of Group and Private Water Scheme subsidy's. Records of current Group Water Schemes across the county were available, which showed 4418 households are currently availing of GWS subsidy's, with payments totalling €1,167,513 made to the 17 GWS schemes serving these households in 2019 by OCC. Recent data on water quality tests in each scheme and data on water quality test sampling, fault reports & repairs was available on request.

For the 'Implementation Stage' of current expenditure the following data is required:

- Performance Reports / Performance Indicators

Information was available on file detailing that Offaly County Council made 18 payments totalling €1,167,513 to 17 Group water schemes in 2019. € 585,643.00 of this figure was payment for outstanding 2018 subsidy's. While the remaining € 581,870.00 was advanced payment for 2019 subsidy's. As per previous payment from DHPLG, subsidy A (annual expenditure), can be partially claimed in advance, with remaining balance paid on receipt of final end of year figures. Offaly County Council recouped €1,167,603 from the DHPLG in 2019 towards these subsidies. OCC made an error in calculation of a GWS subsidy, this error was highlighted to the DHPLG and the €90.00 recouped from the schemes 2020 subsidy, which was documented on file.

Minutes of a Rural Water Monitoring Meeting in 2014 show there were approx. 22 GWSs that were left to be Taken Over, most of these are described as "Orphan" GWSs – no committee in place to deal with, creating further difficulties. Up to date information on file shows that to date there are currently 17 GWS not taken in charge by IW. Reports to DHPLG from OCC detailing the current state of affairs regarding transfer and future plans for these schemes is also on file. The most recent update on GWS transfers to DHPLG was made in March 2020, there was no update on file regarding same for 2019.

- Minutes of meetings

Minutes of the Offaly Rural Water Monitoring committee meetings held in 2018 and 2019 were on file. The minutes clearly outline that Offaly County Council are providing the appropriate information regarding: water quality testing, subsidy A & subsidy B applications,

assessments and approvals for GWS and, up to date information regarding Irish Water taking in charge of GWS process for the committee.

During the review, data relating to reporting on the programme's performance and reports to management were not found on file. The following are recommendations for improvements:

1. It is recommended that programme priority objectives & targets/performance indicators, measurements are included, monitored and reviewed as part of the 'Water Services Team Development Plan' or a programme plan.
2. It is recommended that progress reports are prepared regularly on the programme e.g. for reporting on stages of the programme to Senior Management, Elected Representatives etc.
3. Performance Indicators:
 - Should be compiled regularly e.g. no. of faults, no. of spot checks, no. of upgrades & number of tests etc.
 - It was noted during the in-depth check GWS are monitored through their annual subsidy application data. However, a more structured approach needs to be undertaken with regards to financial and performance monitoring of Group Water Schemes in keeping with terms and conditions of DHPLG circular L2/18. Which requires LA to undertake spot checks of GWS as part of annual work programme. These spot checks should be compiled into performance indicators and reported to Management and Municipal Districts at least annually.
4. It is recommended that Rural Water Programme performance indicators be included regularly on Agenda of Meetings, e.g., Management Meetings. Minutes of meeting should be maintained.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for the Rural Water 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)

At the 'implementation stage' of the current expenditure the following is required:

- *Assigned responsibility for delivery*
- *An appropriate structure to monitor and manage the implementation phase*
- *Regular meetings*
- *A means of measuring if the project/programme is delivering on its expectations.*

The Rural Water Programme was reviewed at 'Implementation Stage' Offaly County Council's Water Scheme Programme has a management structure in place for the programme delivery and co-ordination. The Rural Water Liaison Officer has responsibility as Project Manager for the management and oversight of the programme. Two Technicians are also detailed to the programme for 40% of their working week. These technicians carry out regular testing of water quality and mini-audits and in-depth audits of GWS. Clerical support is also provided to the programme through a part time Clerical Officer.

The RWLO has access to data on 'Agresso' Financial System for review of maintenance service and expenditure activity.

Other performance indicators milestones may be developed as a means of gathering data to support performance indicator measurement. These performance indicators can then be issued as part of monitoring and management at 'Implementation Stage'.

Milestones including annual subsidy draw down process and payment to GWS within the programme plan can be used by the project manager to ensure that the programme is on schedule and within budget for the year in question.

No regular meetings with the 'Private/Group Water Scheme Programme' updates on the Agenda are documented outside of the annual meeting with the Rural Water Monitoring Committee.

Overall the programme at 'Implementation Stage' was found to comply with the Public Spending Code, however, there are some recommendations for improvements which are outlined below.

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

Electronic records of data are available on the 'Agresso Financial Management' System.

Financial data is available in the Council's Budget 2019 and Annual Financial Statement 2019. Data from 'Agresso' can be used to record and monitor ongoing expenditure and recoupment

Invoices can be extracted for review and checking. Expenditure is reviewed and evaluated during the recoupment process to the DHPLG to ensure that programme is staying within the allocated budget and also the subsidy provided by the department under 2019 – 2021 MARWP. Expenditure monitoring is also carried out for reporting to the Rural Water Monitoring Committee and also for update reports to the DHPLG. Further work is required to record programme update reports to internal management and Municipal Districts. A progress report to Birr MD was recorded on file for 2018 however no further update reports were found for 2019 or otherwise.

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

1. Monitoring & Reporting

As part of the Water Services Department Team Development Plan: priority objectives, targets, performance indicators, measurement and review dates of Group and Private Water Scheme Programme' should be prepared annually. This will assist in analysis of operational performance and reporting.

At the time of the in-depth check there was no formal governance structure for reporting on the progress of the expenditure programme. There are limited reporting documents prepared and maintained throughout the year 2019 i.e. one general update in 2019 to the Rural Water Monitoring Committee was recorded during the in-depth check. An update document on taking in charge of GWS for DHPLG was also on file for March 2020.

It is recommended that for the Rural and Private Water Scheme, performance indicators be prepared & reported on a regular basis e.g. number of faults reported, yearly & half yearly progress of subsidy scheme A and C drawdowns, progress on takeover process with Irish Water and spot check results on GWS.

A means for measuring annual performance of individual Group Water Schemes should be agreed and adopted, outside of application data provided by GWS for annual subsidy claims. A process for verification of submitted data from GWS should be formalised and included in annual work programme of Water Services Department.

It is recommended that quarterly Group/ Private Water Scheme reports be prepared outlining e.g. expenditure to-date, updates on operations / works completed, funding allocations, performance indicators etc. This will provide transparency and will be useful for future evaluations.

2. Documented Policies & Procedures for the management of the programme

Currently there is no documented procedure manual in place outlining the process for monitoring and reporting on the Group/Private Water Scheme Programme. It is recommended that procedure documents be put in place, outlining required monitoring processes, controls checks & reporting. A procedure manual is in place for the recoupment process for subsidy funding from the DHPLG, this document needs to be updated and added

to. A similar document should be prepared for the process of administering the subsidy's to GWS and collection and appraisal of submitted documentation from same.

Section: In-Depth Check Summary

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

Summary of In-Depth Check

A Review at the 'Implementation Stage' of the Rural Water Programme, revenue expenditure took place as part of this in – depth check. This programme was categorised as 'Current Expenditure Being Incurred' in the 2019 Public Spending Code Quality Assurance Inventory listing.

Based on review of documentation/data this programme provides 'Satisfactory Assurance' that there is compliance with the Public Spending Code.

At the 'Implementation Stage' of the current expenditure the following is required:

- Assigned responsibility for delivery
- An appropriate structure to monitor and manage the implementation phase
- Regular meetings
- A means of measuring if the project/programme is delivering on its expectations.

Offaly County Council's Rural Water Programme has a management structure in place for the programme delivery and co-ordination. The Director of Services for Environment and Water has overall responsibility for the programme. OCC's Rural Water Liaison Officer has responsibility for management and oversight of the programme, including Technical and Clerical staff management. Data base systems are utilised for monitoring faults, repairs and test results, subsidy expenditure and recouplements from DHPLG.

To enhance compliance and for future evaluation, some recommendations have been made in relation to regular meetings, improving the means for measuring programme delivery, performance indicators, reporting on the programme performance and outcomes and record keeping. The Water Services Department have noted the recommendations and confirmed these will be implemented. Internal Audit will complete a follow-up on recommendations at a later date.

Section: Reporting Summary

Report Prepared by: Mr Colm Kelly, A/Administrative Officer, Internal Audit.

25.08.2020: Final Report Issued to Ms. Mary Hussey, Senior Engineer & Mr. Mark Maken-Finlay Administrative and Rural Water Liaison Officer, Environment and Water Services,

27.08.2020: PSC Quality Assurance Report 2019 (including in-depth Report) certified by the Ms. Anna Marie Delaney, Chief Executive.

31.08.2020: PSC Quality Assurance Report 2019 published on www.offaly.ie and submitted to NOAC.

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	Edenderry Community Library & Arts Space
Detail	Capital investment programme to purchase, design and construct a new community library and arts space in Edenderry
Responsible Body	Offaly County Council
Current Status	Expenditure Under consideration
Start Date	First Proposed in 2010
End Date	TBC
Overall Cost	€8,887,091.04

Project Description

The aim of this project is to address the current user need for a modern library and arts facility capable of meeting the needs of the local community and wider hinterland of Edenderry. The proposed development will offer quality library spaces for all age groups, as well as cultural programming life – long learning and innovative digital engagement opportunities for those in express need of such supports.

Originally plans were to redevelop the existing Library premises in Edenderry. However, after a cost benefit analysis was under taken on the existing location and a provisional application submitted to the Libraries Development Unit within the Department of Rural and Community Development. It was concluded that the existing premises operating as it does was no longer fit for purpose as there is not enough space to meet future or current needs. A refurbishment does not offer value for money or opportunity to adapt to future community needs.

In October 2019 Offaly County Council took the decision to purchase the Old Tesco premises in the town centre for €500,000. Development of the library on this site within the vacant Blundell area, offered a unique opportunity to reimagine the town centre. Providing greater scope to develop a library and arts facility with adequate space and accessibility for a wider user base.

Offaly County Council commissioned The Paul Hogarth Company and McGarry Consulting to produce an 'economic and architectural masterplan' for the 33 acre Blundell town centre site. Based on the initial research and consultation a draft plan was created in April/May 2020. A survey was devised in parallel to gather feedback on the draft plan, which was conducted between 11-May and 01-Jun 2020.

Provision of the purposed designed library is a key action of the Blundell Master plan. The Master plan aims to take a strategic approach to unlocking the potential of the town centre Blundell site to drive the regeneration of the town. In unison with the development of the master plan. Offaly County Council resubmitted a revised approval in principal application to the Libraries Development Unit of the Department of Rural and Community Development on the 24th of June 2020. In keeping with the Libraries Development Unit 4 stage capital management process, a broad cost estimations budget for the library was included with the proposal which estimated the total project cost at:

Site Acquisition & Surveys	€540,000 (excluding VAT)
Contracted construction	€6,668,460.96 (incl VAT)
Other construction	€66,684.61 (% for Art)
Fittings	€324,156 (incl VAT)
Utilities and Telecoms	€90,000
Fees	€757,789 (incl VAT)
Stock	€250,000
Other	€190,000 (incl VAT) – ICT, MY Open Library Requirements.

The projects proposed funding sources are also detailed in the application as follows:

Local Authority	€2,221,772.76 (25% of Final Cost)
Department of Rural & Community Development Rural Regeneration Development Fund	€6,665,318.28 (75% Funding via application)
Offaly County Council Building Purchase	€500,000 exc VAT

As detailed, the delivery of this project underwent changes from proposed refurbishment of existing Library site in Edenderry to a new site contained within Blundell area of the town centre, resulting in significant changes to the project scope and cost from its initial conception. As of July 2020 a tender competition for design consultancy services has been approved and has gone out to competition on e-tenders. As of the date of this review, the progression of this project is likely to be delayed, as a construction contract cannot be entered into until adequate funding is secured from DRCD Rural Regeneration Funding. A detailed project cost and time estimate for delivery will not be available until the design consultants have produced the appropriate construction documents and costings for the project.

To date OCC have secured partial funding of €1.7M for the development of a new Library from the DRCD. The Council has complemented this funding by purchasing the Old Tesco Site from its own resources for €500,000 excluding VAT. With a further €7,000 spend on Engineering and Ecological surveys for the site to date.

OCC secured a further €75,000 for the development of the Blundell Master Plan for the area, from the Rural Regeneration Development Fund. The project was further complemented by a 2nd successful application by OCC to DRCD, for €696,276 funding from the RRDF to construct a 200m link street to the rear of the proposed current site. This will provide an alternative route out of the town centre and improved access to new Library site and adjoining parklands and greenway.

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 Edenderry Library and Arts Space. 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 a state of the art Library and arts space facility in Edenderry. 	<ul style="list-style-type: none"> Project management – Offaly County Council. OCC – Technical assessment of site suitability. Fees for purchase of site and subsequent VAT negotiations €507,000 exc VAT – Offaly County Council funding for purchase of old Tesco site and architectural and ecological surveys. 	<ul style="list-style-type: none"> Public consultation, development of draft master plan for Blundell site - Consultants OCC – Stage one applications including preliminary schedule & design of accommodation, to Libraries Development Unit Capital Management Section. OCC – Rural Regeneration 	<ul style="list-style-type: none"> A state of the art Library and Arts Space for the town and hinterland. An anchor site of regional significance in the Blundell rejuvenation plans for Edenderry town centre. 	<ul style="list-style-type: none"> Edenderry Community Library & Arts Space will foster local economic development acting as a driver and key cultural anchor in the town centre. This facility will increase access to information, knowledge, ideas and opportunities for today's modern users and future generations.

	<ul style="list-style-type: none"> OCC - Procurement of consultants to develop Blundell Master Plan. OCC - Associated administration and technical staff costs. 	<p>Development Funding applications for project costs.</p> <ul style="list-style-type: none"> OCC – Part 8 planning applications. OCC tender for design team consultancy services 	<ul style="list-style-type: none"> Improved quality of life through increased cultural opportunities, and modern accessible education options for users of all ages and abilities. Increased social inclusion opportunities through engagement with Library, Arts, Culture and Healthy Ireland programmes in the facility. Creating community engagement opportunities for disability groups, ethnic minority groups and socially
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					<p>isolated families and individuals.</p> <ul style="list-style-type: none">• Increased pride of place among the community.
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Description of Programme Logic Model

Objectives: The project proposes to provide a state of the art Library and Arts space in the town centre of Edenderry. The premises will enliven the core of the town whilst providing enhanced permeability to surrounding areas and a unique community space. A key objective of the project is to engage with new and existing audiences in a viable, attractive and accessible fashion. Whilst harnessing opportunities to further develop community engagement with arts and culture in a new high quality space for all.

Inputs: The primary inputs to the project thus far include OCC staff resources to project manage the purchase and development of the old Tesco site. Procurement competition for consultants to develop Blundell Master Plan, and design team for developing draft plans for construction. OCC have also contributed €507,000 exc VAT for the survey and purchase of the site ear marked for the proposed development.

Activities: The key activities carried out to date by Offaly County Council are facilitating pre-planning discussions, between stakeholders. Developing funding applications for the Rural Regeneration Development Fund and Capital Management Stage one applications to the Libraries Development section, both within the Department of Rural and Community Development. Staff have also progressed the Part 8 Planning process for the development of the site. Once the project is delivered; Offaly County Council will have a key role in management and promotion of the facility.

Outputs: The primary output will be a new state of the art Library and Arts space in the Town Centre, with enhanced street scape and connectivity to park lands and other key development sites to the rear of the premises.

Outcomes: The envisaged outcomes for this project are that it will unlock the potential of the Blundell site. Acting as a catalyst for further regeneration of the town centre and back land brown field sites and lanes. The enhanced services in the new premises including; meeting rooms, cultural spaces, artists display space and My Open Library digital services will increase footfall in the town centre, improving the evening and day time economies of the town. These facilities will allow for greater engagement with information, arts & culture, which will foster new ideas and opportunities for community development & job creation through complementary small to medium enterprises, supported by the facility's artist studios and network spaces.

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

The following section tracks Edenderry Library & Arts Space from inception to conclusion in terms of major project/programme milestones

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- 2010**
- Offaly Library Development Plan 2010 – 2014**
- Usage figures of Edenderry Library continue to increase. The current building was converted for use in 1981 and is no longer sufficient for the needs of the Edenderry area in terms of modern public library provision and increased library use. A new library building (option 1) or extension (option 2) is required. Facilities should include meeting rooms, ICT suite, exhibition space, study spaces, public toilets and provision for disability access.
- 2012**
- Offaly Arts Plan – A Civic Space in Edenderry**
- Edenderry needs a civic space in which cultural activity can be appreciated and participated in. We will work with agencies to advocate for a facility such as this. Objective 4: Advise how the Arts can be facilitated and integrated into any new civic facility in Edenderry
- Sept 2013**
- Libraries Development Unit Department of Rural & Community Development**
- Stage 1 Application for Grant Aid to DRCD Libraries Development Unit Capital Development Programme. To build extension to existing Library premises in Edenderry. Project Cost Estimate €3,000,000.
- 2014**
- Offaly County Development Plan - Brownfield Sites**
- The Council fully support and promote the use and re-use of brownfield sites within town and village centres throughout County Offaly for the development of appropriate development and uses that would:
 - Contribute greatly to the renewal, enhancement and regeneration of the area concerned.
 - The council will support the provision of library facilities across the county as resources allow.
- 2015**
- Libraries Development Unit Department of Rural & Community Development**
- Revised Stage 1 Application for Grant Aid to DRCD Libraries Development Unit Capital Development Programme. To build extension to existing Library premises in Edenderry. Project Cost Estimate €3,000,000.

Feb 2016	<p>Library Capital Programme 2016 - 2021</p> <ul style="list-style-type: none"> - Offaly County Council receive confirmation of €1.7 M grant towards the cost of developing new branch Library in Edenderry from the Department of Environment, Community & Local Government Libraries Capital Programme
2017	<p>Edenderry Local Area Plan</p> <p>G2.5.1 Master Plan & Opportunity Sites Site No 1: Former Tesco Site</p> <ul style="list-style-type: none"> - This site is extremely prominent in the heart of the town. Offaly County Council recognise that it is important that this site is re-developed and that any replacement building on this site are not just an improvement on the existing building but will contribute positively to the street scape and bring vibrant uses to this part of the town centre. <p>G4.4.2 Community Services and Facilities</p> <p>Library Service</p> <ul style="list-style-type: none"> - It is an objective of Offaly County Council to progress the development of a new modern Community Library in Edenderry in line with the National Library Capital Programme.
Jan 2018	<p>Libraries Development Unit Department of Rural & Community Development</p> <ul style="list-style-type: none"> - Revised Stage 1 Application for Grant Aid to DRCD Libraries Development Unit expanded to include digital hub and community facilities. Within existing Library premises in Edenderry, project cost estimate of €6,211,800 inclusive of VAT.
April 2019	<p>DRCD Libraries Development Unit Correspondence</p> <ul style="list-style-type: none"> - Advise in Lieu of confirmation from OCC of purchase of Old Tesco Site, to proceed with application to DRCD Rural Regeneration Development Fund for one inclusive design including Library/community digital hub. - Advised that project must still follow through Libraries Development Unit, 4 Stage Capital Approval process, if successful in obtaining RRD Funding. - Confirmation if application is unsuccessful original €1.7Million Department grant will still be available
Sept 2018	<p>Part 8</p> <ul style="list-style-type: none"> - A Part 8 application for the internal distributor road, footpaths and cycle-paths from Granary Court to Fairview/Greenwood Park advertised in Local paper and in Council Offices in Tullamore and Edenderry
Feb - 2019	<p>Rural Regeneration Development Fund</p> <ul style="list-style-type: none"> - Offaly County Council receive €75,000 for application to Department of Rural & Community Development for RRDF for development of Blundell Master Plan

- Procurement**
- June 2019**
- OCC RFT 152269 - Edenderry Masterplan & Surveys, advertised on 18th June 2019 with a closing date of 19th July 2019.
- Old Tesco Site Purchase**
- Sept 2019**
- Chief Executives Order for purchase of 33/34 JKL Street Edenderry signed on 18th Sept 2019
- Blundell Master Plan**
- September 2019**
- Successful consultants appointed to develop Blundell Master Plan
- 2nd Stage Public Consultations**
- May 2020**
- Public consultations on the Draft Blundell Master plan took place between 11-May and 01-Jun 2020.
- OCC Application to Libraries Development Unit DRCD**
- June 2020**
- Revised Stage 1 Approval in Principal for new proposed development on Old Tesco Site, Application re-submitted to DRCD Libraries Development Unit. In keeping with requirements of Departments 4 stage approval process for capital projects.
- Procurement of Design Team**
- July 2020**
- OCC advertise first stage of a restricted tender for Design Team, on E-Tenders

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Edenderry Library & Arts Space Expenditure Project.

Project/Programme Key Documents	
Title	Details
Stage 1 Application to DRCD Libraries Development Unit	An application for grant funding to refurbish & extend the existing Library premises in Edenderry prepared by OCC.
Funding Approval from DECLG	Funding Approval in Principal from Department of Environment Community & Local Government under the Libraries Capital scheme, was granted in February 2016.
Updated Stage 1 Application to DRCD Libraries Development Unit	Revised application including total cost break down for project including library and arts space.
Correspondence between OCC and Libraries Development Unit DRCD	Correspondence details expansion of project brief to include community facilities & digital hub based on Department recommendations. Also confirms OCC purchase of Old Tesco Site
RRDF Application for JKL Back lands Masterplan	Included project summary, milestones, rationale, links to national and local strategic plans, risk evaluation and potential impacts and Public Spending Code Value for Money assessment.
Draft Blundell Master Plan	Provides indicative layout design of new Library premises and other potential mixed use developments and connections for the Blundell site.
Updated Stage 1 Application to DRCD Libraries Development Unit	Amended application including new cost breakdown for design and construction of Library & Arts Space and over view of project as key objective of Blundell Master Plan
Tender Design Documents	Detailed project information for, provision of architect led design team consultancy services, for community arts base and library in Edenderry.

Key Document 1: Initial Offaly County Council Stage one application to the Department of Environment Community and Local Government. In September 2013 OCC made an application to the DECLG for grant funding to support the extensive refurbishment and extension of Edenderry Library. The application included detailed information on the type of facility, a preliminary schedule of accommodation, Statement of need and justification including existing demand and usage compared against the 95% growth increase in the local population. Alternative options, site & location suitability and an estimated broad budget costing for the project totalling €3,000,000 were also outlined as part of the application. A revised application was sent to the Department in March 2015.

Key Document 2: Funding approval from Department of Environment Community and Local Government: The Chief Executive of OCC received correspondence from the Libraries Development Unit of DECLG on the 16th of February 2016. Confirming that OCC were approved grant funding of €1.7M from the Library Capital Programme 2016 - 2021 for the construction of the new branch Library in Edenderry. The correspondence detailed that a multi annual allocation was approved commencing with €0.1M in 2019. With the final allocations of €0.65M and €0.95M being made available in 2020 and 2021 respectively.

Key Document 3: Updated Stage 1 Application to DRCD Libraries Development Unit In January 2018 OCC sent a revised Stage 1 application for approval, to the Libraries Development Unit Capital Development team in the DRCD. The amended application included total cost break down for project including library and arts space. Rational for new development in Old Tesco Site, site and location assessment and updated estimated costings. Keeping with requirements of Departments 4 stage approval process for capital projects.

Key Document 4: Correspondence between OCC and Libraries Development Unit in Department of Rural and Community Development: On the 25th of April 2018 OCC wrote to DRCD requesting advice on the impending procurement of a design team for the Library and Arts space. The correspondence outlines the expansion of the project brief to include a community/digital facility based on Department advice and new project cost estimations of €6,211,800. It also contains details of the Departments confirmation that they would not have additional funding other than what was previously provided to the project. OCC sought advice on whether to proceed for a design team for the Library only, or opt to include the design of the community/arts space also for better public value. OCC received a response from the Department on the 17th of May recommending OCC proceed with an application for a design for the entire project. DRCD also advised that if the application to the RRDF is unsuccessful the initial €1.7M funding would still be available.

Key Document 5: RRDF Application for JKL Back Lands Masterplan: Offaly County Council submitted a comprehensive application to the Department of Community & Rural Development on the 27th of September 2018 for Rural Regeneration Development Funding. The application was submitted as a *Category 2: Proposals that have clear potential and quantifiable objectives but require further development to enable them to be submitted as Category 1 proposals in subsequent funding calls.* The application outlines how the provision of a masterplan will ensure the avoidance of piecemeal development ensuring a holistic collaborative approach to the strategic development of the lands. Demolition of the Old Tesco building will remove a long term eyesore on the Main Street of Edenderry and allow for appropriate new build in its place. The application also details how the provision of the funding sought in relation to the design costs for a new library application, is vital to placing the Council in a position to make an application for Category 1 funding to construct the library in 2020. The application provides clear milestones, risk evaluation and a PSC Value for Money assessment for the project.

Key Document 6: Draft Blundell Master Plan: Offaly County Council commissioned the Paul Hogarth Company and McGarry Consulting to produce an 'economic and architectural masterplan' for a 33-acre town centre site within Edenderry. The site includes the proposed development area for the Library and Arts space. The Draft plan was presented to OCC in April 2020 after two rounds of public consultations. The draft plan gives a visual outlay of how the site will look, and what amenities are recommended for development to obtain maximum benefit for the local population. The plans key objectives include: 1. Creating linkages to and from JKL street 2. Creating a new street connection to alleviate congestion and open up the rear of the site for development, and 3. Developing opportunity sites for the development of the Library and arts space, a Primary care centre and potentially housing.

Key Document 7: Updated Stage 1 Application to DRCD Libraries Development Unit Offaly County Council resubmitted a revised approval in principal application to the Libraries Development Unit in The Department of Rural and Community Development on the 24th of June 2020. In keeping with the Libraries Development Unit 4 stage capital management process, a broad cost estimations budget for the library was included with the proposal which estimated the total project cost at €8,887,091.04

Key Document 8: Edenderry Library Tender Documents for Design Consultants Detailed project information for, provision of architect led design team consultancy services, for community arts base and library in Edenderry. Including general outline of the project background and description of site development proposals with proposed construction budget and preliminary schedule and design of accommodation. The tender invitation also details the procurement procedure qualification process, by way of initial first stage suitability questionnaire.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Edenderry Library & Arts space. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Costs	To consider a budget. To assess VFM.	Available. Costs are outlined in all OCC submissions to Libraries Development unit capital approval section in DCRD.
Financial Records	Expenditure Monitoring, To monitor activity from 2015 - 2020. To accurately measure expenditure.	Available. Agresso Financial Management System in use for monitoring of budget / spend.
Documentation/Validation of Key Decisions.	Governance. Record Keeping. Audit Trail.	Partially Available Assessment of related correspondence with DRCD and applications to DRCD were available. Approval of Funding and suggested and approved amendments were on file. Internal correspondence and correspondence with professional Services were on file.
Planning Decisions	Monitoring of Planning approval process through life span of project	Available OCC prepared a Part 8 application for the proposed internal distributor road, footpaths and cycle paths from Granary Court to Fairview/Greenwood Park - advertised in the Offaly Topic dated 20th September, 2018 -

		public display until 23/10/2018 - Approved by elected representatives in a full meeting of OCC 19/11/2018. The Blundell Park enhancement works received Part 8 approval in 2015.
Documentation/Validation of Key Decision's	Governance	Single project master file should be maintained centrally.

Data Availability and Proposed Next Steps

Overall budget and sources of funding: This needs to be updated to include the additional cost of VAT for the purchase of the Old Tesco Site. Progression of the project is dependent on OCC application to DRCD Rural Regeneration Development Fund.

Documentation of Key Decisions: Documented records of the decision of OCC to purchase the Old Tesco Site were not on file. Management Team Minutes and Managers Orders for approvals and purchases of premises need to be kept in one central location going forward. The rationale and suitability of the premises is clearly outlined in the Blundell Master plan and Capital Approval applications to the DRCD. Decisions on change of approach and approval to purchase site by management team to be sourced by project team, for file.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Edenderry Library and Arts Space 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)

This Project was reviewed for compliance as a 'Capital Project being considered'. The 'Appraisal stage' of the project was reviewed.

Under the Public Spending Code, the following are the steps to be completed at the Appraisal Stage:

- i. Define the objective
- ii. Explore options taking account of constraints
- iii. Quantify the costs of viable options and specify sources of funding
- iv. Analyse the main options
- v. Identify the risks associated with each viable option
- vi. Decide on a preferred option
- vii. Make a recommendation to the Sanctioning Authority

From the self-assessed checklist completed there is compliance of level 3 (*broadly compliant*) with regard to an appropriate appraisal method being used in respect to the capital project.

As the project does not have adequate funding in place currently, progression is dependent on OCC making a successful bid to the Rural Regeneration Development Fund. Were this application to be deemed unsuccessful, it is recommended that the project does not proceed past construction design phase.

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

Internal Audit found the following were in place:

1. Appraisal Documents.
2. The sources of funding have been clearly documented.
 - Record of funding applications made to DRCD.
 - The rationale and suitability of both the original Library premises and the new proposal on the Old Tesco Site were outlined in the applications to DRCD.

- Record of 'Approval in Principle' received from DRCD for funding of €1.7 Million.
3. The correspondence between legal advisers for the Council and owners of Old Tesco site were also available.

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

A project brief document should be designed and utilised by Management Team of OCC for future use. This document will allow for tracking of funding decisions and resource allocations for capital projects by the Management Team. Clearly identifying changes in direction and cost implications for the project.

Internal Audit is satisfied with the level of compliance at 'Appraisal stage' but recommends these changes are implemented to further enhance the process. The project manager has been made aware of the Public Spending Code requirements for all stages in the lifecycle of a capital expenditure project.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Edenderry Library and Arts Space

Summary of In-Depth Check

This project was categorised as Capital Expenditure under consideration in the 2019 PSC Inventory listing. The review of this project was on the appraisal and planning elements.

At the 'Appraisal' Stage of the capital expenditure the following steps are required:

- viii. Define the objective
- ix. Explore options taking account of constraints
- x. Quantify the costs of viable options and specify sources of funding
- xi. Analyse the main options
- xii. Identify the risks associated with each viable option
- xiii. Decide on a preferred option
- xiv. Make a recommendation to the Sanctioning Authority

Offaly County Council prepared 3 detailed Capital Appraisal Documents and submitted same to DRCD. The steps above were followed, but greater detail needs to be recorded on file of decision to change location of the Library and formal approval for purchase of premises. A Director of Service is assigned responsibility as project manager for each stage of the capital

project. The Director leads the Project Management Team consisting of the County Librarian and a Senior Executive Engineer. This team is responsible for the tendering and implementation of the design and construction of each phase of the projects implementation. Procurement and development of funding applications, is under taken in collaboration with the Councils Special Project Team section. Applications for project funding are also developed collaboratively with the Special Projects Team.

Based on a review of documentation, this project at 'appraisal stage' provides 'Satisfactory Assurance' that there is compliance with the Public Spending Code. The final decision on progression of the project will be subject to a successful application by OCC to the DRCD for Rural Regeneration Funding. The future application process to the DRCD will provide further proof of the projects value for money, which in turn ensures it is in keeping with required Public Spending Code appraisal steps.

Section: Reporting Summary

Report Prepared by: Mr Colm Kelly, A/Administrative Officer, Internal Audit.

25.08.2020: Final Report Issued to Ms. Sharon Kennedy Director of Services Housing, Community, Culture, Emergency Services and Edenderry Municipal District & Ms. Eimear McGinn County Librarian.

27.08.2020: PSC Quality Assurance Report 2019 (including in-depth Report) certified by the Ms. Anna Marie Delaney, Chief Executive.

31.08.2020: PSC Quality Assurance Report 2019 published on www.offaly.ie and submitted to NOAC.

Appendix 5: Assurance Category

ASSURANCE CATEGORY	ASSURANCE CRITERIA	
SUBSTANTIAL	Evaluation opinion:	there is a robust system of risk management, control and governance which should ensure that objectives are fully achieved, and/or
	Testing opinion:	the controls are being consistently applied.
SATISFACTORY	Evaluation opinion:	there is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and / or effectiveness of risk management, control and governance.
	Testing opinion	there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
LIMITED	Evaluation opinion:	there is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing opinion:	the level of non-compliance puts the system objectives at risk.
UNACCEPTABLE	Evaluation opinion:	the system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing opinion:	significant non-compliance with the basic controls leaves the system open to error or abuse.

