Public Spending Code:

Quality Assurance Report for 2021

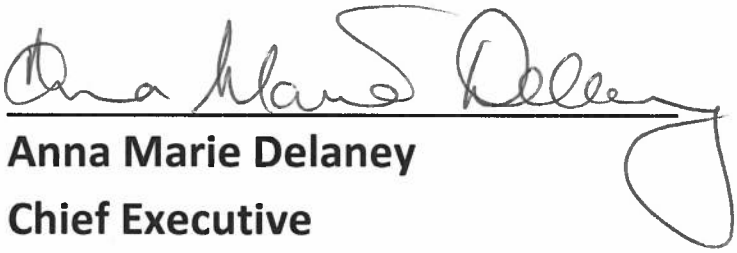
Offaly County Council

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.



Anna Marie Delaney
Chief Executive
Offaly County Council

25 May 2022

Contents

	Page
1. Introduction	4
2. Expenditure Analysis	5 - 6
3. Assessment of Compliance	7 -11
4. Next Steps: Addressing Quality Assurance Issues	11
5. Conclusion	11

Appendices:

Appendix 1: Inventory of Projects and Programmes above €0.5m

Appendix 2: Self-Assessment Checklists

Appendix 3: Summary Report Arising from In-Depth Checks of two projects/programmes.

Appendix 4: In-depth Check Reports No. 1 and No. 2

Appendix 5: Assurance Category

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 2021. This is the 6th 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			
	Current Expenditure	**Capital Expenditure**	
Projects of total value	**>€0.5m**	**€0.5m - €5m**	**€5m - €20m**
Expenditure Being Considered	7	12	3
Expenditure Being Incurred	30	16	8
Expenditure Recently Ended	0	7	1
€274,024,120	**€81,208,665**	**€77,130,334**	**€115,685,121**

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 were 7 programme/service areas where expansion of existing current expenditure of over €0.5M was being considered in 2021

There were 15 capital projects under the category of 'Expenditure Being Considered' in 2021, 3 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 30 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 and Road Maintenance programmes. There are 16 capital projects incurring expenditure of €0.5m - €5M, with a further 8 incurring expenditure of between €5m - €20m.

Expenditure Recently Ended

Table 1 provides a summary of the inventory of expenditures above €0.5m recently ended by OCC. There are 8 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, with the other 7 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 2021 as confirmed by the Procurement office. 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 – 6 were completed by Offaly County Council (OCC) for 2021. OCC did not record any expenditure under the category of checklist 7 during 2021; therefore, all responses to that 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 9% sample of the Inventory. The following Departments completed checklists: Housing, Roads, Community & Culture, Special Projects, Environment, Finance, 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. Internal Audit Staff attended training on the

updated Public Spending Code. 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, and Management Reports.

In keeping with the requirements of the Public Spending Code organisations are required to undertake an in depth check of at least one project from each of the following expenditure categories; 1. Under Consideration 2. Incurring Expenditure and 3. Recently Ended. In order for OCC to meet these requirements it was necessary to conduct an in-depth check of a project or programme from the Under Consideration Category for 2021. This provided an opportunity for OCC to examine how a sample of projects had adhered to the Public Spending Code guidelines through a full project life cycle process. The Council are satisfied that the sample examined had fully adhered to the PSC guidelines.
Evidence was prevalent among the sample that Post Project Reviews were being under taken and the process of implementing the findings into planning for future projects and programmes had already commenced. OCC will also continue to regularly review capital spend for improvements in unison to developing a formal process to conduct post project reviews of significant capital projects.

Checklist 2 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, highlights 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, there were 8 capital projects that ended in 2021 and no current (revenue) expenditure under this category at year end. Checklist 6 was completed for a recently ended capital project, with a high level of compliance to guidelines evident.

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' 'Local Roads Maintenance and Improvement € 8,310,261
- Capital Project: 'Under consideration' Bog Road Portarlington € 7,106,861

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 over the previous 3-year period.
- Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all revenue projects on the project inventory for the year 2021.

This minimum is an average over the three-year period (2019-2021).
Table 2 below outlines the percentage requirement for Capital and Revenue Checks for 2021. As per the table Offaly County Council is compliant with the rolling percentage requirements.

Table 2: OCC In-depth Checks 2019 – 2021		
Capital 2019	€ 69,070,366	
Capital 2020	€ 120,527,914	
Capital 2021	€ 192,815,455	5% Average of total capital inventories 2019- 2021
Capital Average Over 3 Years 2019- 2021	€ 127,471,245	€ 6,373,562
		1% of total revenue inventory 2021
Revenue 2021	€81,208,665	€ 812,086

4. Next Steps: Addressing Quality Assurance Issues

The compilation of both the inventory and checklists for the 6th year of this QA process was a significant co-ordinated task in terms of liaising with divisions within the Council and collation 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 'Under Consideration' 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.

5. Conclusion

The inventory outlined in this report clearly lists the current and capital expenditure being considered, incurred and recently ended in 2021. The Council had no procurements in excess of €10 million in 2021 and therefore there was no requirement for publication on its website. This information was confirmed by the OCC Procurement Officer during the 2021 PSC process.

The checklists completed by the Council shows 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 2021 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.

Expenditure being Considered 2021 - Greater than €0.5m (Capital and Current)							
Project/Scheme/Programme Name	Short Description	Current Expenditure Amount in Reference Year	Capital Expenditure Amount in Reference Year (Non Grant)	Capital Expenditure Amount in Reference Year (Grant)	Project/Programme Anticipated Timeline	Projected Lifetime Expenditure	Explanatory Notes
A01 Maintenance / Improvement of LA Housing	Increased amount from 2020	€ 2,104,885			annual		Budget increase
A06 Support to Housing Capital & Affordable Programme	Increased amount from 2020	€ 511,878			To Be Confirmed		Budget increase
Beachwood Drive Daingean Phase 1	Housing Builds			€ 18,245	2023	€ 2,770,420	Site start due in May 2023
Circular Rd Housing Scheme Daingean	Housing Builds			€ 160,501	2024	€ 2,570,223	land recently acquired, stage 1 only
Sr. Senan Avenue, Edenderry (4 no OPDs)	Housing Builds			€ 9,912	2023	€ 1,097,591	Site start due in May 2023

Dargan Drive Tullamore	Housing Build			€ 29,439	2024	€ 5,108,254	At planning
Ballycumber 8 units	Housing Build	€ -			2024	€ 1,944,154	Stage 1 approved
Convent Portarlington CAS funding (AHB - taut) - 39 Units	Housing builds			€ 107,776	2025	€ 10,326,539	At planning
Bog Road Portarlington	Housing Builds			€ 3,742	2023	€ 7,106,861	At Tendering stage
B03 Regional Road - Maintenance & Improvement	Increased amount from 2020	€ 1,059,029			Increased budget amount		
B04 Local Road - Maintenance & Improvement	Increased amount from 2020	€ 576,801	€ -		Increased budget amount		
B07 Road Safety Engineering Improvement	Increased amount from 2020	€ 1,251,612	€ -	€ -	Increased budget amount		
Non National Roads Public Lighting	Capital Programme	€ -	€ -	€ -	Ongoing	€ 2,000,000	
Clara Fire Station	Capital Programme				To Be Confirmed	€ 1,200,000	Provision of new Fire Station

Tullamore Fire Services Training Centre - Extension	Capital Programme	€ -	€53,326	€ -	To Be Confirmed	€1,600,000	Extension to existing Training Centre premises
H11 Agency & Recoupable Services	Increased amount from 2020	€ 525,531			To Be Confirmed		Budget increase
H03 Administration of Rates	Increased amount from 2020	€ 803,305	€ -	€ -	Increased budget amount		
URDF_R2		€	€	€	2022 - 2024	€3,211,000	€2.41m URDF ; €0.803m OCC
Harbour Street & Store Street		€	€	€	2024	€2,000,000	€1.75m URDF, €0.25m OCC; URDF
Urban Greenway		€	€	€	2022	€2,600,000	€2m URDF, €0.7m OCC
Edenderry Regeneration Phase II RF0182	RRDF Cat 2					€2,686,760	
Ferbane Regeneration RF0183	RRDF Cat 2					€683,000	
Totals		**€ 6,833,041**	**€ 53,326**	**€ 329,615**		**€ 46,904,801**	

	Expenditure being Incurred - Greater than €0.5m (Capital and Current)							
Expenditure being Incurred 2021 - Greater than €0.5m (Capital and Current)	**Short Description**	**Current Expenditure Amount in Reference Year**	**Capital Expenditure Amount in Reference Year (Non Grant)**	**Capital Expenditure Amount in Reference Year (Grant)**	**Project/Programme Anticipated Timeline**	**Cumulative Expenditure to-date**	**Projected Lifetime Expenditure (Capital Only)**	**Explanatory Notes**
Project/Scheme/Programme Name	**Short Description**	**Current Expenditure Amount in Reference Year**	**Capital Expenditure Amount in Reference Year (Non Grant)**	**Capital Expenditure Amount in Reference Year (Grant)**	**Project/Programme Anticipated Timeline**	**Cumulative Expenditure to-date**	**Projected Lifetime Expenditure (Capital Only)**	**Explanatory Notes**
A01 Maintenance / Improvement of LA Housing		€ 4,397,381		€ -	Ongoing current expenditure	€ -	€ -	
A03 Housing Rent & Tenant Purchase Administration		€ 751,469		€ -	Ongoing current expenditure	€ -	€ -	
A05 Administration of Homeless Services		€ 813,323		€ -	Ongoing current expenditure	€ -	€ -	
A06 Support to Housing Capital & Affordable Programme		€ 1,387,173		€ -	Ongoing current expenditure	€ -	€ -	
A07 RAS Programme		€ 4,711,859		€ -	Ongoing current expenditure	€ -	€ -	
A09 Housing Grants		€ 1,626,749		€ -	Ongoing current expenditure	€ -	€ -	
B02 NS Road - Maintenance & Improvement		€ 3,238,685	€ -	€ -	Ongoing current expenditure	€ -	€ -	

B03 Regional Road - Maintenance & Improvement		€ 6,998,248	€ -	€ -	Ongoing current expenditure	€ -	€ -	
B04 Local Road - Maintenance & Improvement		€ 8,310,261	€ -	€ -	Ongoing current expenditure	€ -	€ -	
B05 Public Lighting		€ 1,236,301	€ -	€ -	Ongoing current expenditure	€ -	€ -	
B07 Road Safety Engineering Improvement		€ 3,195,020	€ -	€ -	Ongoing current expenditure	€ -	€ -	
B010 Support to Roads Capital Programme		€ 526,123	€ -	€ -	Ongoing current expenditure	€ -	€ -	
B11 Agency & Recoupable Services		€ 1,382,386		€ -	Ongoing current expenditure	€ -		
C01 Operation & Maintenance of Water Supply		€ 1,377,526	€ -	€ -	Ongoing current expenditure	€ -	€ -	
C02 Operation & Maintenance of Waste Water Treatment		€ 1,058,966	€ -	€ -	Ongoing current expenditure	€ -	€ -	
C05 Admin of Group & Private Installations		€ 1,093,278	€ -	€ -	Ongoing current expenditure	€ -	€ -	
D01 Forward Planning		€ 858,155			Ongoing current expenditure			
D02 Development Management		€ 1,680,061	€ -	€ -	Ongoing current expenditure	€ -	€ -	

D06 Community & Enterprise Function		€ 3,272,473	€ -	€ -	Ongoing current expenditure	€ -	€ -	
D09 Economic Development & Promotion		€ 4,071,833	€ -	€ -	Ongoing current expenditure	€ -	€ -	
E04 Provision of Waste to Collection Services		€ 1,108,481	€ -	€ -	Ongoing current expenditure	€ -	€ -	
E06 Street cleaning		€ 524,357	€ -	€ -	Ongoing current expenditure	€ -	€ -	
E11 Operation of Fire Service		€ 3,205,189	€ -	€ -	Ongoing current expenditure	€ -	€ -	
F02 Operation of Library & Archival Service	Delivery of Library & Archival Services across 9 libraries	€ 2,793,565	€ -	€ -	Ongoing current expenditure	€ -	€ -	
F05 Operation of Arts Programme		€ 1,342,015	€ -	€ -	Ongoing current expenditure	€ -	€ -	
H01 Profit & Loss Machinery Account		€ 1,076,916	€ -	€ -	Ongoing current expenditure	€ -	€ -	
H03 Administration of Rates		€ 8,908,824	€ -	€ -	Ongoing current expenditure	€ -	€ -	Service for 2021 partially funded for rates waivers

								to the amount of €3,074.095
H09 Local Representation & Civic Leadership		€ 1,465,080	€ -	€ -	Ongoing current expenditure	€ -	€ -	
H10 Motor Taxation		€ 727,285	€ -	€ -	Ongoing current expenditure	€ -	€ -	
H11 Agency & Recoupable Services		€ 1,236,642			Ongoing current expenditure			
Clara Raheen Lands 38 units	Housing Build		€ -	€ 283,390	2023	€ 481,857	€ 12,184,822	At tender
Kylebeg Banagher Phase 2(Construction)(0116249C)	Housing Build			€ 347,816	2023	€ 368,369	€ 4,500,116	Under construction
Elderberry Drive Moneygall	Housing Build			€ 23,040	2022	€ 24,295	€ 1,067,541	Under construction
Beechgrove Belmont	Housing Build			€ 31,564	2022	€ 246,914	€ 2,427,088	Under construction
Midlands Retrofit Project	Retrofit of Council Housing stock		€ 232,532	€ 169,230	2023	€ 433,402	€ 4,200,000	Under construction but department difficulties
Clonminch Oaklee AHB 19 Units	Housing Build		€ 259,714	€ 599,158	2022	€ 858,872	€ 4,125,151	Under construction
Clonmore Sophia	Purchase & renovation of hotel for homeless accommodation		€ 33,073	€ -	2023	€ 2,255,751	€ 3,329,428	At tender

Mucklagh Turnkey	Housing Build			€ 215,605	2022	€ 215,605	€ 2,209,000	Under construction
Woodfield Birr Turnkey 35 units	Housing Build			€ 1,930,230	2022	€ 1,930,230	€ 8,453,384	Under construction
The Hawthorns Tullamore (Part V)	Housing Build			€ 1,600,117	2022	€ 1,600,117	€ 2,800,000	Under construction
Kearneys Field, Tullamore CAF funding (AHB) Oaklee - 41units	Housing Build			€ 1,407,851	2023	€ 2,025,660	€ 9,359,020	Under construction
Jacksons Hill (AHB Calf project)	Housing Build			€ 1,374,220	2022	€ 1,959,220	€ 6,874,457	Under construction
Climate Adaptation and Resilience Works				€ 809,873	On - going		€ 3,798,210	
Offaly Active Travel: 2021 Allocations				€ 3,439,000	On - going		€ 20,939,000	
Machinery yard vehicle replacement programme			€ 388,431		On - going		€ 600,000	
N62 Crancreagh (Cloghan to Derrinlough)					2021-2025		€ 3,700,000	
Edenderry Inner Relief Road				€ 1,136,000	2023		€ 5,600,000	
Just Transition Fund - MidlandsIreland.ie Digital Roadmap (15%)	Develop a Digital Roadmap for the Midland's region						€ 1,175,000	
Just Transition - OIDC Tullamore Space and Infrastructure (15%)	Create 3,000 sq.ft. of additional office space in The Junction Business						€ 560,000	

	Suites and develop a c. 26,000 sq.ft. industrial unit in IDA Srah Industrial Park ,Tullamore.							
Burial Ground Development Fund							€ 842,500	
Edenderry Regen Phase I - Link Street			€ 109,833	€ 329,501.00	Q2 2022	€ 578,027	€ 696,276	
Banagher Regen Project			€ 2,583	€ 7,749.00	Q2 2023	€ 10,332	€ 527,000	
Tullamore Community Arts Centre - 0642001C			€ 1,248,487		2022	€ 3,497,994	€ 6,823,458	Funding model: SLA €2m, OCC Funds €2.5m, TCAC €.5m
Edenderry Community Library	New Library & Arts Base		€ 18,804	€ -	TBA (estimate Qtr. 1 2026)	€ 645,454	€ 9,000,000	€9m estimated costing from 2020, and likely to change. Project dependent on successful phased RRDF applications
Grand Canal Greenway			€ -	€2,499,917	2019 - 2025	€4,500,000	€7,500,000	
Totals		**€ €74,375,624**	**€ 2,293,457**	**€ 16,204,261**		**€ 21,632,099**	**€ 123,291,451**	

Projects/Programmes Completed or discontinued in the reference year 2021 - Greater than €0.5m (Capital and Current)							
Project/Scheme/Programme Name	**Short Description**	**Current Expenditure Amount in Reference Year**	**Capital Expenditure Amount in Reference Year (Non Grant)**	**Capital Expenditure Amount in Reference Year (Grant)**	**Project/Programme Completion Date**	**Final Outturn Expenditure**	**Explanatory Notes**
Chancery Lane, Tullamore (Construction)(0116150C)	Completed Housing Build			€ 169,202	21st September 2020	€ 4,748,113	Final account not yet completed
Main St Daingean Turnkey	Completed Housing Build			€ 1,901,846	1st October 2021	€ 2,194,083	Complete
Scurragh ,Birr (CAS/AHB) (6 units)	Completed Housing Build		€ 88,032		20th December 2019	€ 1,008,184	Final account not yet completed
Mount Bolus (CAS)	Completed Housing Build		€ 8,623		27th November 2020	€ 740,252	Final account not yet completed
Birr Macgregol (Turnkey) 12units	Completed Housing Build			€ 928,563	30th June 2021	€ 2,195,000	
Silverbrook Tullamore	Completed Housing Build			€ 1,059,594	16th April 2021	€ 1,059,594	
Killane Drove (CAS/CAF funding) (AHB-Tuath) 27 Units	Completed Housing Build			€ 48,199	14th April 2021	€ 4,264,650	
Tullamore Enhancement Plan - 0437602C	Urban design & Street scape enhancement works		€ 2,500,000	€ 4,500,000	2021	€ 6,409,327	Actual Expenditure figure 2021. €3m ERDF (breakdown ERDF €1.5 matched with OCC €1.5 funds). €4m URDF (breakdown URDF €3m matched with

							€1m OCC Funds) Project complete awaiting final drawdown.
Totals		**€ -**	**€ 2,596,655**	**€ 8,607,404**		**€ 22,619,203**	

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	Internal Audit Section underwent training on updated PSC in 2021. A National Training Programme for the Local Authority Sector is required. Briefing Sessions for Project Managers in Offaly County Council are planned.
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 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 2015-2020.

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	Evidence from Department interviews during In Depth Checks and checklist process indicate PPR are issued to relevant stakeholders.
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. Decision gates process more thorough at commencement of project as would previously have been reported.

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

Municipal District:

	Capital Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance	Comment/Action Required
Q 2.1	Was a Strategic Assessment Report (SAR) completed for all capital projects and programmes over €10m?	N/A	No project over €10m
Q 2.2	Were performance indicators specified for each project/programme which will allow for a robust evaluation at a later date? Have steps been put in place to gather performance indicator data?	3	Funding approval from DHPLG; DHPLG approval to proceed to Tender; Meeting; Report on Tenders to be issued before appointing Contractor.
Q 2.3	Was a Preliminary and Final Business Case, including appropriate financial and economic appraisal, completed for all capital projects and programmes?	N/A	DHPLG did not request for Urban Greenway; Required and ongoing for URDF call 2
Q 2.4	Were the proposal objectives SMART and aligned with Government policy including National Planning Framework, Climate Mitigation Plan etc?	3	Recent review of cycle way to reflect CDP, Climate Action Plan, Cycling guidelines.
Q 2.5	Was an appropriate appraisal method and parameters used in respect of capital projects or capital programmes/grant schemes?	3	
Q 2.6	Was a financial appraisal carried out on all proposals and was there appropriate consideration of affordability?	3	As above design review carried out before progressing detailed design and tender documents.
Q 2.7	Was the appraisal process commenced at an early enough stage to inform decision making?	3	
Q 2.8	Were sufficient options analysed in the business case for each capital proposal?	3	
Q 2.9	Was the evidence base for the estimated cost set out in each business case? Was an appropriate methodology used to estimate the cost? Were appropriate budget contingencies put in place?	3	
Q 2.10	Was risk considered and a risk mitigation strategy commenced?	3	As part of the design review.

	Was appropriate consideration given to governance and deliverability?		
Q 2.11	Were the Strategic Assessment Report, Preliminary and Final Business Case submitted to DPER for technical review for projects estimated to cost over €100m?	N/A	
Q 2.12	Was a detailed project brief including design brief and procurement strategy prepared for all investment projects?	3	
Q 2.13	Were procurement rules (both National and EU) complied with?	3	Will be advertised on eTenders.
Q 2.14	Was the Capital Works Management Framework (CWMF) properly implemented?	3	Progressing detailed design and tender documents in line with CWMF.
Q 2.15	Were State Aid rules checked for all support?	3	
Q 2.16	Was approval sought from the Approving Authority at all decision gates?	3	Yes, see Q2.2 above
Q 2.17	Was Value for Money assessed and confirmed at each decision gate by Sponsoring Agency and Approving Authority?	3	As part of the design review.
Q 2.18	Was approval sought from Government through a Memorandum for Government at the appropriate decision gates for projects estimated to cost over €100m?	N/A	

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

	Current Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Q 3.1	Were objectives clearly set out?	3	Yes through existing programme.
Q 3.2	Are objectives measurable in quantitative terms?	3	Measured for return to funding authority (RMO c/o DOT)
Q 3.3	Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure proposals?	N/A	Roads Schemes identified by MD's
Q 3.4	Was an appropriate appraisal method used?	3	Usual costings applied
Q 3.5	Was an economic appraisal completed for all projects/programmes exceeding €20m or an annual spend of €5m over 4 years?	N/A	
Q 3.6	Did the business case include a section on piloting?	N/A	
Q 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	
Q 3.8	Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	
Q 3.9	Was the pilot formally evaluated and submitted for approval to the relevant Vote Section in DPER?	N/A	
Q 3.10	Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	N/A	
Q 3.11	Was the required approval granted?	N/A	
Q 3.12	Has a sunset clause been set?	N/A	
Q 3.13	If outsourcing was involved were both EU and National procurement rules complied with?	3	All works procured correctly
Q 3.14	Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure	N/A	

	programme which will allow for a robust evaluation at a later date?		
Q 3.15	Have steps been put in place to gather performance indicator data?	3	Roads areas improved v Budget is known for all works delivered.

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

Roads Offaly Active Travel:

	Incurring Capital Expenditure	Self-Assessed	Comment/Action Required
Q 4.1	Was a contract signed and was it in line with the approval given at each Decision Gate?	N/A	NTA Funding – OCC Liaison w/ NTA re: when moving through stages of projects/payments
Q 4.2	Did management boards/steering committees meet regularly as agreed?	N/A	Regular Liaison Between OCC & NTA Upon All Projects
Q 4.3	Were programme co-ordinators appointed to co-ordinate implementation?	3	OCC Staff Managing Projects in Liaison w/ NTA Team. See Appointed 04/10/2021.
Q 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	OCC / MD Engineers were delivering various projects funded by NTA under the management of A/SE Roads & the Area/MD SEE Engineers
Q 4.5	Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Regular OCC Liaison w/ NTA through correspondence and progress meetings to review all aspects of NTA projects.
Q 4.6	Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	Some projects completed & some carried over into 2022. Projects within 2021 budgets.
Q 4.7	Did budgets have to be adjusted?	N/A	No – All expenditure within 2021 was in line with budgets assigned to NTA projects.
Q 4.8	Were decisions on changes to budgets / time schedules made promptly?	N/A	
Q 4.9	Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case (exceeding budget, lack of progress, changes in the environment, new evidence, etc.)?	3	Some projects were carried over into 2022 due to delays as a result of Covid restrictions and contractor availability.

Q 4.10	If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?	3	OCC Liaison w/ NTA as key benefits & objectives of schemes still achievable, just carried forward into 2022
Q 4.11	If costs increased or there were other significant changes to the project was approval received from the Approving Authority?	3	Yes. OCC Liaison w/ NTA to inform them of increased costs or any other changes and approval sought / given before proceeding with work
Q 4.12	Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N/A	No projects were terminated, only funding / projects carried over into 2022, further to NTA agreement / approval.

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

Finance:

	Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
Q 5.1	Are there clear objectives for all areas of current expenditure?	3	
Q 5.2	Are outputs well defined?	3	Vacant property write off and business supports
Q 5.3	Are outputs quantified on a regular basis?	3	Annually and regular review
Q 5.4	Is there a method for monitoring efficiency on an ongoing basis?	3	Revcoll inspection/review
Q 5.5	Are outcomes well defined?	N/A	See Q5.2
Q 5.6	Are outcomes quantified on a regular basis?	N/A	See Q5.3
Q 5.7	Are unit costings compiled for performance monitoring?	N/A	
Q 5.8	Are other data complied to monitor performance?	N/A	
Q 5.9	Is there a method for monitoring effectiveness on an ongoing basis?	N/A	
Q 5.10	Has the organisation engaged in any other 'evaluation proofing' of programmes/projects?	N/A	This is a compliance yes/no task based on REV coll information and does not have an evaluation/qualitative aspect.

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

Housing:

	Capital Expenditure Recently Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Q 6.1	How many Project Completion Reports were completed in the year under review?	3	No building contract involved as houses were acquired as finished units from a Part V agreement
Q 6.2	Were lessons learned from Project Completion Reports incorporated into sectoral guidance and disseminated within the Sponsoring Agency and the Approving Authority?	3	All Project completion reports are sent to department but none required for Part V
Q 6.3	How many Project Completion Reports were published in the year under review?	3	One completion report
Q 6.4	How many Ex-Post Evaluations were completed in the year under review?	N/A	Ex-post evaluation n/a for housing projects
Q 6.5	How many Ex-Post Evaluations were published in the year under review?	N/A	
Q 6.6	Were lessons learned from Ex-Post Evaluation reports incorporated into sectoral guidance and disseminated within the Sponsoring Agency and the Approving Authority?	N/A	
Q 6.7	Were Project Completion Reports and Ex-Post Evaluations carried out by staffing resources independent of project implementation?	N/A	
Q 6.8	Were Project Completion Reports and Ex-Post Evaluation Reports for projects over €50m sent to DPER for dissemination?	N/A	

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. **N/A**

	Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Q 7.1	Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	
Q 7.2	Did those reviews reach conclusions on whether the programmes were efficient?	N/A	
Q 7.3	Did those reviews reach conclusions on whether the programmes were effective?	N/A	
Q 7.4	Have the conclusions reached been taken into account in related areas of expenditure?	N/A	
Q 7.5	Were any programmes discontinued following a review of a current expenditure programme?	N/A	
Q 7.6	Were reviews carried out by staffing resources independent of project implementation?	N/A	
Q 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 2021: Step 4 In-depth Check, completed by Internal Audit,

Offaly County Council.

Comhairle Chontae Uíbh Fhailí
Offaly County Council

May 2022

Table of Contents **Page**

Introduction and Summary of Findings 32-34

Introduction and Summary of Findings

Step 4 of the Public Spending Code QA process requires all Local Authorities to 'Carry out 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 regarding 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 (2021)	Project Budget / Expenditure
Local Road Maintenance & Improvement Scheme	Current Expenditure – Being Incurred	€8,310,261
Bog Road Portarlington Turn Key Housing Purchase	Capital Expenditure – Under Consideration	€7,106,861

The total value of Offaly County Council's Inventory listing for 2021 was €274,103,120 (includes Current (Revenue) and Capital Expenditure). Therefore,

the two projects detailed within the table above represent a sample of approximately 5.6% of the total inventory.

The internal audit review of the projects covered the period up until the 31st of December 2021.

Summary of Findings

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

Project 1: Current (Revenue) Expenditure Programme €8,310,261

A Review at the 'Implementation Stage' of the Local Roads Maintenance & Improvement Revenue expenditure programme took place as part of this in – depth check. This programme was categorised as 'Current Expenditure Being Incurred' in the 2021 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 Local Roads Maintenance & Improvement Programme has a management structure in place for the programme delivery and co-ordination. The Director of Services for Roads has overall responsibility for the programme. The Senior Engineer in Roads and Senior Executive Engineer in the Municipal District has responsibility for management and oversight of the programme, including Technical and administrative staff supervision. Online data base systems are utilised for monitoring expenditures and recoupments of available grants, with hard copies of claims also kept within the Roads section. Annual performance indicators are provided to NOAC, which outline the % of improvement in the County's Roads Network as a result of the years

Local Roads improvement scheme works. The primary measurement used to assess programme delivery is the annual PSCI scoring.
To enhance compliance and for future evaluation, some recommendations have been made in relation to, improving the means of reporting measurements of programme delivery, performance indicators and reporting on the programme performance and outcomes to the Roads Department & SPC. The Internal Audit Department will complete a follow-up on recommendations at a later date.

Project 2: Capital Expenditure Programme €7,106,861
The following section presents a summary of the findings of this In-Depth Check on the Bog Road Portarlington Turn Key Housing Purchase

This project was categorised as Capital Expenditure 'Being Considered' in the 2021 PSC Inventory listing. The review of this project focused 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 a detailed Capital Appraisal Document supplemented with independent quantity surveyors report and submitted same to DHPLG. Each of the steps above were followed. A Senior Executive Engineer is assigned responsibility as project manager for each stage of the capital project.

Based on a review of documentation this project at 'appraisal stage' provides 'Satisfactory Assurance' that there is compliance with the Public Spending Code.

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	Local Road Maintenance & Improvement Scheme
Detail	Annual Roads Revenue Programme regarding the annual expenditure & administration of the Local Roads Maintenance & Improvement Scheme
Responsible Body	Offaly County Council
Current Status	Revenue Expenditure Being Incurred
Start Date	January 2021 (Recurring annual cost)
End Date	December 2021
Overall Cost	€8,310,261

Project Description

Local Road – Maintenance & Improvement Scheme

The Regional and Local Roads infrastructure is important for communities and the local economy as they serve as a valuable link to the wider road network for economic development with additional business, education and social opportunities for its citizens. A significant portion of the funding for road maintenance received by Local Authorities every year is received from the Department of Transport. At the start of February each year, funding allocations are provided to local authorities on the basis of the percentage of road length within the county compared to national total.
In addition to government support grants, there is a further requirement to fund current expenditure in all local authority service divisions including road maintenance through local authority income. The specific contribution of income from the Local Authority's allocation may vary between local authorities for each service division under their budgetary process.

Offaly County Council is responsible for the administration & management of the Local Road Maintenance & Improvement programme which funds the management and upkeep of the Local Roads network throughout the county of Offaly. The Local Roads programme is carried out annually and is overseen by the Roads Department and implemented by the technical, administrative and outdoor staff in the three Municipal Districts of Birr, Edenderry & Tullamore.

Local Road Maintenance & Improvement expenditure comprises of: Local Road Surface Dressing, Local Rd Surface Restoration/Road Reconstruction/Overlay, Local Roads General Maintenance Works & General Improvement works. The budget allocation per municipal district for the programme is approved by the elected members usually at the April monthly meeting. Funding is divided between the 3 Municipal district areas based on the percentage of road coverage in each area.

The total expenditure for the programme in 2021 was €8,310,261 an increase of €576,801 compared with 2020. These costs included Local Road Surface Dressing works at €1,060,760, Local Roads General Maintenance Works at €1,995,255, Local Roads General Improvement Works at €495,383 and Service Support Costs of €713,970 including payroll overheads.
The programme is funded through the Regional and Local Roads annual grant allocation from the Department of Transport which was €12,447,240 for 2021, an increase of €1,419,741 from the previous year's allocation. A further grant of €355,817 was provided to the Council after the final end of year claim was made to the DOT in December 2021 Offaly County Council also supplements the total Roads budget annually through its own resources.
The Council also receives annual grant allocations from Transport Infrastructure Ireland and the National Transport Authority but this funding cannot be used for the Local Improvement scheme.

The 2021 OCC Initial Roads Budget:

Transport Infrastructure Ireland	€2,319,755
Department of Transport	€12,447,240
National Transport Authority	€3,579,655
Offaly County Council Resources	€1,867,130
Total	**€20,213780**

The intended outcomes for the programme were an improvement in the Local roads network measured through the Pavement Surface Condition Index (PSCI) Ratings for the county for 2021.

3.1. A Pavement Surface Condition Index (PSCI) rating system is used by the Department in respect of rating the pavement condition of regional roads. The PSCI rating scale ranges from 10 for a pavement in excellent condition to 1 for a pavement in failed condition. The time it takes to go from excellent condition (10) to complete failure (1) depends largely on the quality of the original construction and the amount of heavy traffic.

The 1-10 system is colour coded with ratings 1-4 (red); 5-6(amber); 7-8(blue) and 9-10(green).

From the records examined on file, it was evident that the PSCI rating improved significantly in 2021 (see end of year sample of table from PSCI record for 2021 below) after works were undertaken. Offaly County Council had a compliance level of 81% across the county on the 15th of November 2021.

Majority Surface Course Before	PSCI Before	PSCI After
Surface Dressing	5	10
Surface Dressing	6	9
Surface Dressing	5	10
Surface Dressing	5	10
Surface Dressing	5	9
Surface Dressing	5	10
Surface Dressing	5	10
Surface Dressing	5	10
Surface Dressing	5	10
Surface Dressing	5	10
Surface Dressing	5	10
Surface Dressing	6	10
Surface Dressing	6	9
Surface Dressing	6	10
Surface Dressing	6	9
Surface Dressing	5	8

Surface Dressing	6	9
Surface Dressing	5	10
Surface Dressing	5	10
Surface Dressing	5	8
Surface Dressing	4	10
Surface Dressing	5	10
Surface Dressing	5	10
Surface Dressing	6	10
Surface Dressing	5	10
Surface Dressing	6	10
Surface Dressing	6	10
Surface Dressing	5	10
Surface Dressing	5	10
Surface Dressing	6	10
Surface Dressing	4	10
Surface Dressing	5	10
Surface Dressing	5	10

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit have completed a Programme Logic Model (PLM) for **Local Roads Maintenance & Improvement 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
To Improve and maintain local roads network, provide a safer environment for road users, pedestrians and cyclists. Improved infrastructure improves quality of life for local population and supports inward economic investment and tourism opportunities.	The primary input to the programme is the budget allocation of €12,447,240 from the Department of Transport. This budget was allocated to upgrading projects on the Regional & Local road network in Offaly undertaken in 2021, €8,310,261 of the budget was spent on the Local Roads maintenance programme. Technical, Administration and outdoor staff resources	- Annual preparation of Roads Programme - Development of Road Safety Audit Reports - Tender Invitation to Contractors to carry out works under DOT Framework Agreement - Scoring of Tenders - Assessment Reports - Ordinal Survey Mapping - Updating data onto national PSCI system - Awarding of Contracts - Completion of works	Completion of a variety of road improvement works, including: verge management, Local Rd Surface Restoration/Road Reconstruction/Overlay surface redressing, foundation restoration and safety improvement works. Value for money achieved in expenditure due to proper Procurement procedures.	Completion of road improvement works. Improved road safety performance metrics Improved score for county's road network on PSCI data system, for mapping national roads network Improved quality of life for local residents, cyclist's and vehicle roads users

	Procurement of external suppliers / contractors	- Monthly expenditure claims to DOT - Quarterly progress meetings between Roads Department and Strategic Policy Committee		Probable reduction in accidents and potential for accidents in improved areas.

Description of Programme Logic Model

Objectives: The objective of the Restoration Improvement Programme in respect of regional roads is to improve the condition of the road network. Works will consist of resealing, surface restoration, structural overlay and reconstruction.

Inputs: The primary input to the programme was the revenue expenditure budget of €8,310,261. This funding was utilised to partially pay staff salaries, support services with the majority used for road upgrade works. Other inputs included the oversight of the programme by staff in the Roads Department and Municipal Districts of Offaly County Council and interaction with the Road Management Office and the Pavement Management System.

Activities: Activities associated with the programme included the completion of works as indicated in the Multi Annual Programme; recoupment of monies from the DTTAS and ensuring money is spent having regard to proper procurement procedures.

Outputs: Having identified the deficiencies on particular routes, the remedying of same in accordance with the funding and guidelines provided (Circular RW 1/2019 and Circular RW 1/2021); ensuring value for money in expenditure; and adhering to proper procurement procedures in the expenditure of monies received from the DTTAS.

Outcomes: The outcome of this programme is to have an improved regional road network. The network of regional roads provides mobility within and between areas providing vital links to the strategic national route network. The network is important from an economic and social perspective. The intended outcomes for the programme was to see an improvement in the Pavement Surface Condition Index (PSCI) Ratings for the county for 2021.

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

The following section tracks the Local Road Maintenance & Improvement programme from inception to conclusion in terms of major project/programme milestones.

Local Road Maintenance & Improvement is an annual revenue expenditure.

2018	Circular RW 8/2018 requires the compilation of the 2019 – 2021 Multi Annual Restoration Improvement Programme
15th Feb 2021	Circular RW 1/2021 issued from Minister for Transport enclose details of the 2021 grant allocations to your authority in respect of the maintenance and improvement of regional and local roads for 2021
19th April 2021	Offaly County Council Roads Works Programme for year ending 31st December 2021 presented to Elected Members at the April 19th Council meeting.
4th May 2021	Roads Programme 2021: All construction works commenced on the 4th May. On this date the three MDs commenced completing road improvement and maintenance works throughout the County.
5th January 2022	Final recoupment of expenditure from the Department. Previous recoupments undertaken on a monthly basis through the Project Reporting System (PRS). Grants paid, in arrears, through the PRS system on the basis of returns of actual eligible expenditure incurred in the previous calendar month.

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Local Road Maintenance & Improvement Programme for 2021.

Project/Programme Key Documents	
Title	**Details**
Department of Transport Memorandum on Grants for Regional & Local Roads March 2021	Department of Transport manuscript which provides information and defines the conditions governing the allocation and payment of monies to Local Authorities in respect of grant programs for regional and local roads.
Offaly County Council Roads Programme 2021	Full programme of Roads works to be carried out for year ending 2021. Outlines sources of funding and schedule of works anticipated to be carried out during the year.
Department of Transport Tourism & Sport Circular	Circular RW 8/2018 requesting Councils to submit a multi-year Roads Improvement programme for 2019, 2020 and 2021
Roads Department Team Development Plan 2021	Offaly County Council Roads section plan setting out the priorities of the Roads section team with key objectives linked to the Corporate Plan.
Climate Action, Environment, Water and Transportation Strategic Policy Committee Roads Reports	Roads updates for SPC meetings held on the 21st of January, 25th of February ,26th May and 6th October 2021 and Minutes of Municipal District meetings.
Circular RW 1/2021	Circular on behalf of the Minister for Transport enclosing details of the 2021 grant allocations to OCC in respect of the maintenance and improvement of regional and local roads

Key Document 1: This extensive Memorandum provides information on, and defines the conditions governing the allocation and payment of monies to Local Authorities in respect of all grant programmes for Regional and Local Roads. It also includes conditions on the chargeability against State grants of expenditure incurred and general guidance on the carrying out of grant aided works. Local Authorities in receipt of State Grants from the Department of Transport must follow the procedures and comply with the conditions contained within this document or potentially be requested to return funds that were not spent in line with conditions.

Key Document 2: Offaly County Council Roads Programme for 2021 which outlines the initial grant allocations for 2021 (not including extra funding approved at year end) from Transport Infrastructure Ireland, the Department of Transport, Tourism and Sport and the National Transport Authority. The Council allocation to the budget and 2020 amounts for same are shown alongside for comparison purposes. The document outlines the proposed schedule of works to be carried out for National, Secondary, Regional and Local Roads and the budget allocation for each. Programme also provides provisional plans of Roads Department to apply for funding under various other measures including:

Climate Adaptation and Resilience Works, Active Travel scheme, Local Improvement Scheme, CLÁR a, Town and Village Renewal scheme and the Winter allowance budget.
A description of the differing categories of Road Maintenance are also outlined as follows:
Restoration Improvement (RI): this is the strengthening programme and is hugely important in terms of maintaining the network. It caters for pavement overlay works and for complete road rehabilitation works as well as for drainage works where required.

Restoration Maintenance (RM): the purpose of the Restoration Maintenance grant is to protect the structural integrity of the road by way of surface dressing (and necessary basic preparatory works) through the sealing of the road surface and in maintaining adequate skid resistance.

Discretionary Grant (DG): Local Authorities have reasonable flexibility in what they can spend the DG on. It can be used for a variety of maintenance and repair works on roads and footways and can also be used for winter maintenance purposes. The programme describes how transfers from the Restoration Improvement Grant to the Discretionary Grant is not allowable as notified in Circular RW1/2018. The amounts that each Local Authority receives from DTTAS under these three grant programmes are based on road lengths.

Key Document 3: Circular RW 8/2018 requested Councils to submit a multi-year RI programme for 2019, 2020 and 2021 based on a budget estimate of 100% of the Council's initial 2018 RI grant allocation. Roads selected in rural areas are expected to have a Pavement Surface Condition Index (PSCI) rating of between 1 and 6 and those in urban areas to have a rating between 1 and 8 (because surface dressing may not be appropriate in urban areas and alternative materials may have to be used).

It was advised that emphasis should be placed on early intervention and roads with a PSCI of 5 and 6 (surface restoration category) should, where possible, be selected to protect the network from deteriorating and requiring full road reconstruction.

Key Document 4: Roads Team Development Plan 2021: The plan sets out how Roads team will improve and maintain local, regional and national road network, by implementing sustainable smarter travel initiatives, putting in place safe and effective traffic management and control systems and delivering on the Greenways strategy. Plan also highlights the service indicators required of the Roads section annually. The indicators relevant to the Local Roads Maintenance & Improvement Grant are outlined as follows:

A. Kilometres of Regional Road strengthened during the year using Road Improvement (RI) grants and the RI grant amount relating to that work

B. Kilometres of Regional Road resealed during the year using Road Maintenance (RM) grants and the RM grant amount relating to that work

C. Kilometres of Local Road strengthened during the year using Road Improvement (RI) grants and the RI grant amount relating to that work

D. Kilometres of Local Road resealed during the year using Road Maintenance (RM) grants and the RM grant amount relating to that work

The plan further outlines how the Roads Section of Offaly Council manages all maintenance and construction activities relating to roads, footpaths and cycleways in the County. The plan also administers and regulates activities such as road opening licences, speed limit reviews, abnormal loads and parking among many other things.

Key Document 5: The Roads Department updates to the Municipal Districts on the delivery of the 2021 Roads programme. This includes updating the SPC on the following:

- Annual Department allocations
- Commencement and completion of construction works on capital projects
- Planning, design and the procurement of schemes for 2021
- Appointing of Contractors
- Local improvement programme resurfacing works updates.

Reports also provide updates including: application and allocation from Local Improvement Scheme, Active Travel scheme, CLAR 2021, Climate Adaptation and Resilience Works and the Outdoor Infrastructure Fund among other information.

Key Document 6: Circular issued on behalf of the Minister for Transport enclosing details of the 2021 grant allocations to OCC in respect of the maintenance and improvement of regional and local roads. Intermediate and Final Completion Dates for Regional and Local Road Works are set out, as are details of individual scheme considerations and the Local Authority's obligations to upload and maintain full records of projects on MapRoad - Pavement Management System (PMS).

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for Local Roads Maintenance & Improvement Programme. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Financial.	Monitoring Expenditure of Roads - Birr Municipal 2021 Agresso codes examined as part of check of desk top checks.	Available.
FORM B: - List of Regional and Local Roads Projects projected to be funded from 2021 RLR Grants	This plan is submitted to the DOT and outlines the updated individual work priorities for the year 2021 for the 3 Municipal Districts. The Document includes Local Authority Project Number, Project Code, Municipal District Engineering Area, Road Class, Road Number, Project Name, Road Name, Majority Intervention Code, Funding Grant Category, Majority Surface Course score Before works, PSCI score Before works, IRI score before and after works, Planned Length, Planned Area, Planned Width, Full Estimated Project Cost, Estimated Unit Cost, Estimated DOT Grant Category Cost, Estimated % Grant Category Cost, Adjusted Planned Length.	Available
DOT - Grant Payment Invoices	Match expenditure recorded on Agresso for grant subsidies with funding received from Department of Transport	Available
Internal procedures	Obtain documented procedures used for the Roads Section grant claims and monthly returns.	Partially available

(Annual) Offaly County Council Performance Indicators 01/01/2021 - 31/12/2021	Annual % recordings of key measurements by kilometre of road relating to the Regional and Local Roads network in the county. Data allows for measurement of improvement or regression in roads network year on year and also details the amount spent on the regional and local roads in relation to upgrade and maintenance. The data is collated from the PSCI rating figures provided by the Roads Department to the national data base throughout the year.	Available
Birr Municipal District Expenditure Files & Local Procedures Manual	To examine if correct invoices were on file and a procedure manual was in place for Local Roads Maintenance process, the Internal Auditor made an onsite visit on the 18th May 2022. Invoices were matched to recorded amounts on Agresso and AFS for 2021.	Partially available / no procedure manual in place
Birr MD procurement files	Sample of procurement files for 2021 Roads works contracts for Birr Municipal District	Procurement process for Birr North Road Recycling Works contract examined. Request for tender documents, tender scoring sheet on file. Memo recommending awarding of contract from MD Exec Engineer on file. Chief Executives Orders approving contracts for works and Health and Safety Project Supervisor Construction Stage duties as per Safety, Health and Welfare at work Regulations on file.

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.

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

- Performance Reports / Performance Indicators

MapRoad – Pavement Management System (PMS)

All Local Authorities are required to upload and maintain full records of all pavement projects on the PMS. All projects for RI and RM/SRM are submitted and managed through the PMS. Any pavement interventions across other grant categories (for any Government Department or Agency) or using own resources must also be uploaded to the PMS.

In 2021 the Department moved from a paper/email-based return to an online system through the PMS. This necessitated each LA maintaining records of all pavement works on the PMS system.

10. Section 10 (5) of the Roads Act 1993 requires that each Road Authority maintain a schedule and map of all public roads for which it has responsibility. Each Local Authority is required to keep this schedule up to date on PMS and in accordance with **Circular RW12/2013**. The payment of grants is linked to this requirement.

Minutes of meetings

During the review, data in the form of meeting minutes, relating to reporting on the Local Road Improvement programme's performance and reports to management were found on file. The following are recommendations for improvements:

1. Quarterly progress meetings should be held between Municipal District Engineers, Senior Engineer, Administrative Officer and Director of Service in Roads to ensure issues with Local Improvement works can be highlighted at an early stage in the year.

2. Overall county % scoring and sample of Performance Indicators from the PMS system should be reported at years end to Municipal District Council meetings to highlight works carried out during the year to Elected Representatives.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Local Roads Maintenance & Improvement 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 Local Road Maintenance & Improvement Programme was reviewed at 'Implementation Stage' to ensure that Offaly County Council has a management structure in place for the programme delivery and co-ordination. The Director of Service has responsibility for the oversight of the Roads programme.

The annual programme is prepared by the Senior Engineer, Administrative Officer and Staff officer in the Roads section, who are also responsible for compiling data and receipts for monthly claims to the DOT.

The Senior Executive Engineers in the Municipal Districts are responsible for the delivery of the works set out in the Local Roads Maintenance & Improvement programme. This includes project management, procurement of works contracts, management of GSS operatives and oversight of programme chargeability to grant funding. Administration staff in Roads compile data including invoices and purchase orders for the Roads Department's monthly claims to DOT and also for occasional department audit checks.

The Technicians and Engineers in the Municipal Districts are responsible for surveying and grading the local roads using the PSCI rating system before the three year local roads maintenance funding call from the DOT. They are also responsible for grading the roads once improvement works have taken place.

The Roads and Municipal District staff have access to data on 'Agresso' Financial System for review of expenditure within individual Municipal District and extract the appropriate expenditure from the MD's for inclusion in Monthly claims to DOT. The DOT Memorandum on Grants for Regional and Local Roads sets out limitations on chargeability to the programme.

As part of the in-depth check process, 3 months' claims to the DOT were examined by Internal Audit for March, August and December. The check was based on the ineligible claims set out in the DOT Memorandum of March 2021. In accordance with the checks performed there were no ineligible claim items identified.

The Pavement Management System (PMS) was established by the DOT to support the development of the central web based Road Asset Management System across Ireland. Data is entered into the system on the key performance indicators highlighted under the performance measurement section. Individual local authorities are contacted by the RMO Shared Service on their results and following confirmation the information is submitted to NOAC for inclusion in the annual performance indicators report under the roads service division.

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. A ten percent sample of Municipal District spend on the Local Roads Maintenance & Improvement Programme was examined for illegibility during Internal Audits onsite check of the Birr Municipal District files for 2021. The sample examined amounted to approx. €335,074 of expenditure under the programme, across 16 separate job codes. There were no ineligible expenditure items found during the onsite audit.

Data and information submitted on the PMS system is available for the purposes of a full evaluation in future, through the Roads Section. The full file of monthly claims made to the Department was also available and examined during the audit.

Financial data is available in the Council's Budget 2021 and Annual Financial Statement 2021. Data from 'Agresso' can be used to record and monitor ongoing expenditure and recoupment Invoices can be extracted for review and checking.

Most relevant circulars, procedure manuals (partial) and Roads service delivery plan are also available to review.

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

1. *Monitoring & Reporting*

It is recommended that performance indicators be prepared & reported at quarterly meetings by the Municipal District Executive Engineers to the Director of Service, Senior Engineer and the Administrative Officer in Roads. It is also recommended that minutes of meetings be kept on file for future audits.

Documented Policies & Procedures for the management of the programme

Internal Audit would recommend a specific procedure manual be created outlining the process for the annual monitoring, reporting and implementation of the Local Roads Maintenance & Improvement programme from the start of the year to completion. There is currently a procedure within Roads for the drawing down of non-national grant aid, this needs to be updated and expanded to describe the entire process from submission of three year claim to final draw down at end of year 3. A similar procedure should also be prepared for use in the Municipal Districts to map out the process for Local & Regional maintenance funding implementation and reporting.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Local Roads Maintenance & Improvement programme.

Summary of In-Depth Check

A Review at the 'Implementation Stage' of the Local Roads Maintenance & Improvement Revenue expenditure programme took place as part of this in – depth check. This programme was categorised as 'Current Expenditure Being Incurred' in the 2021 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 Local Roads Maintenance & Improvement Programme has a management structure in place for the programme delivery and co-ordination. The Director of Services for Roads has overall responsibility for the programme. The Senior Engineer in Roads and Senior Executive Engineer in the Municipal District has responsibility for management and oversight of the programme, including Technical and administrative staff supervision. Online data base systems are utilised for monitoring expenditures and recoupments of available grants, with hard copies of claims also kept within the Roads section. Annual performance indicators are provided to NOAC, which outline the % of improvement in the county's roads network as a result of the years Local Roads improvement scheme works, the primary measurement used to assess programme delivery is the annual PSCI scoring.

To enhance compliance and for future evaluation, some recommendations have been made in relation to improving the means of reporting measurements of programme delivery, performance indicators and reporting on the programme performance and outcomes to the Roads Department & Municipal District Councils. Internal Audit will complete a follow-up on recommendations at a later date.

Section: Reporting Summary

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

18/05/2022: Report reviewed by Head of Internal Audit.

19/05/2022: Final Report Issued to Senior Engineer Roads, Senior Executive Engineer Birr Municipal District, Administrative Officer Roads, Staff Officers Roads & Municipal District

24.05.2022: Report Presented to Management Team.

Management Team Response 24.05.2022:

24.05.2022: PSC Quality Assurance Report 2021 (including in-depth Report) certified by the Ms. Anna Marie Delaney, Chief Executive.

24.05.2022: PSC Quality Assurance Report 2021 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	Bog Road, Portarlington (Co Offaly) Social Housing Scheme
Detail	The purchase of 28 No. Residential Turnkey Units at Bog Road Portarlington, Co Offaly.
Responsible Body	Offaly County Council
Current Status	Capital Expenditure Under Consideration
Start Date	Expression of Interest Advertised 6th May 2020
End Date	Proposed completion July 2023
Overall Cost	€7,106,861

Project Description

Local Authorities have the key central role in the identification of social housing need within their areas and developing and nurturing projects for new social housing construction to meet that need.

Offaly County Council as one of its many objectives, strives to implement national housing policy to ensure that every household that needs it has access to quality, affordable housing in an acceptable environment. Individual housing needs are met through a number of different schemes and initiatives. Offaly's target under 'Rebuilding Ireland' 2018-2021 for build, acquisition and leasing was 437.

In May 2020 Offaly County Council placed an advertisement in the local papers and E- Tenders seeking expressions of interest for "Turnkey Housing Developments for the Provision of Social Housing". In this regard 23 expression of interest were received. Expressions were sought under the guidance set down in Circular: Housing 31/2019 from the Department of Housing, Planning and Local Government.

Turnkey Developments, to be of interest to the Council, were required to be close to services within an urban settlement/town/village, and within walking distance of shops, schools and local amenities. The proposed developments Design and Construction Standards must at a minimum meet the requirements of all relevant statutory planning and building control requirements. social housing need in the area concerned; timescale for delivery; value for money and quality and design. Expression of interest in providing housing were sought in the advertisement.

Following an advertisement process, MJ Turley Associates acting on behalf of their client 'Smart 2 Management Ventures Limited' submitted an expression of interest to the Council in providing 28 turnkey units in Bog Road, Portarlington. The Council assessed the proposal and were satisfied that it met the criteria. Smart 2 Management Ventures Limited was engaged by the council to progress with construction at Bog Road Portarlington. The Vendor had previously entered into a Building Agreement with BHA Construction Limited for the construction of the houses and a copy of this construction contract was made available to Offaly County Council to assess for queries in relation to its terms.

On the 23rd of November 2020, OCC made an application to Department of Housing, Planning and Local Government (DHPLG) for funding to purchase the units. A Capital Appraisal Document was submitted to the DHPLG with the funding application, an all in cost of €7,174,188.82 was estimated to construct/finish 28 units, including legal fees. The DHPLG approved a budget of €7,106,860.77 (incl. VAT). The recommended budget for purchase price of the properties, was reduced by €105,223.58 (incl. VAT) as development levies are deemed exempt for Social Housing projects.

In November 2020 OCC had 131 applicants on its housing list in Portarlington, Co. Offaly.

The Design

The housing units at Bog Road Portarlington had been granted planning permission in September 2019 subject to 12 no. conditions.

In October 2019 the decision was appealed under the Planning and Development Act 2000 (as amended) to an Bord Pleanála.

In March 2020 An Bord Pleanála made and Order (Board Order ABP-305545-19) to grant permission for the development in accordance with the said plans and particulars, and thus upheld the decision of the Planning Authority.

The original development that was granted planning permission contained 28 semi- detached units. Copies of Design details were available on file.

Cost /VFM

The units are being offered to Offaly County Council for a total cost of €7,033,518.45 inclusive of VAT. This breaks down to range from €262k to €266k for the 3-bed units, and €241k for the 2-bed units. Offaly County Council considered this to be very good value for money.

In considering whether these units are value for money, OCC considered the unit cost ceilings provided by the Department of Housing, Planning and Local Government (Circular 13/2019, 12th April 2019). An independent Chartered Quantity Surveyor was appointed to provide cost opinion on the proposed turnkey development. In this regard the appointed QS compared this turnkey proposal to tenders received in March 2020 for similar type house (3-bed, 2-storey and 101.3m2), and a (2-bed, 2-storey and 91m2. The surveyors concluded that this project represents good value for money at the time.

Approval to proceed

Bog Road, Portarlington (Turnkey) Housing Capital Project was agreed in principle to be included in the DHPLG's / OCC capital work programme for the construction of 28 Units to house persons from housing list.

The proposed completion date is 12 months from approval of construction contracts.

This main focus of this review relates to 'Appraisal Stage' of the project in 2021.

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 **Bog Road, Portarlington, Social Housing Construction Project**: A PLM is a standard evaluation tool and further information on their nature is available in the Public Spending Code.

Objectives	Inputs	Activities	Outputs	Outcomes
- The provision of Housing in accordance with the Government's objective under "Rebuilding Ireland". - Achieve value for money in the provision of the accommodation. - The provision of dwelling types that Satisfies the requirements of those requiring housing in the area.	- Funding / Capital Assistance of approx. €7.1m from DHPLG. - Appointment of Developer. - Staff Resources for application process and assessment of legal documentation for contract purposes. Technical staff resources for assessment of final units for snag lists and assessment of initial proposals compliance with Building Control Management System requirements.	- Advertising of 'Expressions of Interest' for stage one and stage two of approval process. - Identification of Units - Drafting of Project Documents / Briefings / Costings Submissions of Proposals (submission of funding application including appraisal document to the Department of Housing, Planning & Local Government). - Liaising with Planning Department, Offaly County Council in relation to approved planning procedures *(Planning Permission was approved in*	- Appraisal Document Prepared. - Funding Applications submitted to DHPLG. - Confirmation of Planning requirements / compliance. - Legal / Professionals Engaged and contracts for purchase agreed subject to conditions. - Approval to proceed from Senior Management. - Approval through construction process and prior to handover by	- Funding Approval from DHPLG. - Developer engaged. - Construction of houses. - Reduction of numbers on housing list seeking accommodation. - Potential for a number of families and individuals to be provided with secure housing. - Secure housing provides opportunity for tenants to become more involved in

		March 2020) development contributions & taking in charge. - Liaising with Solicitor over proposed purchase of 28 Units at Bog Road, Portarlington, Co. Offaly. - Approval by CE for purchase of units. - Inspections by Clerk of Works	project manager and Council Technical staff during development and delivery stages of the project. - Offaly County Council submits claims and recoups payment from the Department in respect of the drawdown monies advanced	community & social environment in local area. - Economic boost for local businesses due to potential increase in spending from new community members.

Description of Programme Logic Model

Objectives: The objective of this project was the provision of housing in accordance with the Government's objectives under "Rebuilding Ireland": An Action Plan for Housing and Homelessness" and the requirements of the Social Housing Capital Expenditure Programme. Achieve value for money in the provision of the accommodation and to ensure the house type provided satisfies the requirements of those requiring housing on Offaly County Council's Housing List.

Inputs: The primary input to the programme was the capital funding of approximately €7.1 million which was approved by Department of Housing, Planning and Local Government. Council staff resources and work of the Developer are also inputs. Advertising of 'Expressions of Interest' and procurement of an independent quantity surveyors were also key inputs at this stage to the project.

Activities: There are a number of key activities which will be carried out throughout the project including: advertising of 'Expressions of Interest', assessment of applications received and identifying housing. Seeking and evaluating quotations for quantity surveyor's services to undertake costing analysis of proposal. Preparing proposals in the form of appraisal documents for DHPLG for funding application. Liaising with the Planning Department regarding planning permission, development contributions and taking in charge, consulting with the Council's solicitor regarding the purchase of units and required legal documentation for proposed land transfers. Engagement with Developer to facilitate purchase of units and approval of purchase.

Outputs: Having carried out the identified activities using the inputs, the outputs of the project are engagement of a developer for construction of housing units and engagement with the solicitor in relation to the preparation of contracts.

Outcomes: The envisaged outcomes of the project are to provide Housing for persons on Housing List and homeless persons. This in turn will lead to reduced numbers of persons seeking accommodation and assist the Council in meeting their Rebuilding Ireland targets for the period in question.

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

The following section tracks the **Bog Road Portarlington, Turnkey Social Housing Capital Project** from inception to conclusion in terms of major project/programme milestones

6th May 2020.	Call for Expressions of Interest was advertised in local newspaper & Council Website for the provision of turnkey housing developments for Social Housing purposes.
17th July 2020	An 'Expression of Interest' was received from SIEC Group for 28 no. housing units at Bog Road, Portarlington
21st August 2020	OCC issue request for "Quotation for the provision of Quantity Surveying Services for Cost Value for Money Reporting for the delivery of Turnkey Developments for Social Housing in Co. Offaly.
23nd November 2020	OCC - Submission of funding application & capital appraisal document to DHPLG.
21st December 2020	Approval in principal received from Department of Housing Planning and Local Government. Funding approval was granted with an all-in budget of €7,106,861 (incl. VAT)
22nd December 2020	Notification issued to MJ Turley & Associates' (acting agent on behalf of Smart 2 Management Ventures Limited) of Departmental approval in principal to expression of interest from 17th July 2020.
31st July 2023	Anticipated Completion Date for handover of finished units.

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the **Bog Road Portarlington, Co Offaly, Social Housing Capital Project.**

Project/Programme Key Documents	
Title	**Details**
OCC Targets under 'Rebuilding Ireland: Action Plan for Housing and Homelessness'.	Offaly County Council's targets for provision of housing under 'Rebuilding Ireland' 2018-2021 are outlined in Appendix A of letter from the Minister for Housing, Planning and Local Government dated 18th April 2018
Application Form HCA 3 'Acquisition of private dwellings' for Capital Funding to DHPLG	DHPLG's Form HCA 3 was completed and provided by OCC in accordance with Circular Housing 24/2015, where an application is made for an exchequer capital grant (Form HCA4) in relation to the acquisition of a dwelling for use as social housing unit.
Housing Capital Project Appraisal Document – Bog Road, Portarlington Co. Offaly	A proposal was prepared by the Council in the form of a capital appraisal document. It included the housing need, information on design, planning permission, costs and value for money. This was submitted to the DHPLG for consideration for funding in November 2020
Funding Approval from DHPLG	A funding Approval in Principal from DHPLG was granted on December 20th 2020 The letter outlined that approval was subject to a number of conditions. The recommended budget was €7,106,861
Stage 2: Request for submissions to supply Turnkey housing	Stage 2 evaluations of proposals received for Offaly County Council request to supply turnkey housing.
Housing Circular 31/2019	DHPLG Circular is to advise local authorities on the provision of new build housing through turnkey acquisition

Key Document 1: ***County Council Targets for Rebuilding Ireland.***

'Re-building Ireland – Action Plan for Housing and Homelessness' outlines long term targets for the provision of social housing. Offaly County Council's targets for provision of housing under 'Rebuilding Ireland' 2018-2021 are outlined in Appendix A of letter from the Minister for Housing, Planning and Local Government dated 18th April 2018. The targets for 2018-2021 for Build, Acquisition, leasing for Offaly County Council is 437. For 2021 the target for build was 90, leasing was 38, and with limited number of acquisitions.

Key Document 2: ***Application Form for DHPLG Capital Funding***

In November 2020, OCC made an application to DHPLG for funding for the acquisition of private dwellings. The DHPLG's Form HCA 3 was completed and provided by OCC in accordance with Circular Housing 31/2019. The application included required details relating to: Evidence of Social Housing Need in the Area, Copy of the Public Notice inviting turnkey proposals, Details of the Evaluation Process undertaken, Drawings of the Proposal (Floor Plans & Site Layout Map indicating clearly the dwellings to be purchased), Planning Status of the turnkey proposal, Sustainable Community Proofing Assessment, Independent Valuation (or QS cost opinion/report), Cost (completed Form HCA3) and Value for Money Evaluation, Indicative programme for delivery and the Local Authority's recommendation. Details of all-in-cost was clearly outlined on the application which was estimated at €7,174,188.82.

Key Document 3: ***Capital Appraisal Document for Frankford, Social Housing Project***

The Housing Capital Project Appraisal for the Purchase of 28 Dwellings at Bog Road Portarlington was submitted to the department on the 23rd of November 2020. The document provides a background to the project being considered and the assessment of expressions of interest received following advertisement. The need for housing in the area is clearly outlined. There were 131 applicants on the housing list for Portarlington in 2020. Information on planning permission and design of dwellings including gross floor area, BER rating, type of dwelling, details of accommodation is included in the appraisal document as are detail on cost, value for money and delivery arrangements.

Key Document 4: ***Capital Funding Approval from DHPLG***

A funding 'Approval in Principal' from DHPLG was granted on December 20th 2020. The letter outlined that approval was subject to a number of conditions. The recommended budget was €7,106,861 which included purchase price of the housing units for €6,928,294.87 and legal and professional fees of €138,565.90. The recommended budget for purchase price of the properties, was reduced by €105,223.58 (incl. VAT) as development levies were deemed exempt for Social Housing projects. The Department also recommended an additional project management fee of €2,000 per turnkey unit, subject to a cap of €40,000 on any one turnkey development in accordance with Circular 31/2019.

Key Document 5: Offaly County Council Stage 2 Request for Submissions

The following information was required for the Stage 2 submission: Details of individual or company submitting the proposal including a contact name, address, phone number and email, Site location map including site area, Site Layout, House Types, Floor Plans and Areas, Schedule of materials and finishes being proposed, Number and mix of units proposed, Details of current planning permission on site (if applicable), Location of all local amenity services and public utilities and details of the proposed servicing of the site. The all in cost of the development broken down between land costs, construction costs, design fees and other costs such as development levies, utilities, financing costs, sales, marketing, profit etc. and A timeframe/programme for the completion of the proposed development.

Evaluation of Stage 2 Submissions

Weighted criteria were used to evaluate Stage 2 submissions. The following criteria was used to evaluate Stage 2 proposals:

1. Response to Briefing Document
   - Compatibility with need identified in the brief
   - Compliance with minimum floor area requirement
   - Consistency with statutory development plan

2. Value for money of the proposed scheme
   - Cost per unit as against LA Unit Cost Ceilings
   - Cost per sq. mt. as against LA Unit Cost Ceilings

3. Timescale for Delivery

4. Unfinished Estate (Y/N)

Project submissions that successfully received a 'Pass' mark in both Stage 1 and Stage 2 evaluations were only considered by the Local Authority.

Key Document 6: Circular: Housing 31/2019 Appendix A, B & C

Outlines requirements in respect of a Capital Funding Application for a Turnkey Proposal.

The Circular advised local authorities on the provision of new build housing through turnkey acquisition and superseded the arrangements set out in Departmental Circular N16/227 of 24 July 2007 on 'Arrangements for Provision of Social Housing through Turnkey Projects'.

Appendix A sets out up to date procurement advice and guidance on the acquisition of housing units using the turnkey process.

Appendix B sets out the capital funding submission requirements in respect of a proposed turnkey development in the form of a condensed capital appraisal.

Appendix C contains a simplified turnkey process workflow, under the exemption provided for in article 10 of the European Union (Award of Public Contracts) Regulations, 2016.

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Bog Road, **Portarlington (Turnkey) Social Housing Capital Project**. 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 capital Appraisal Document and application to DHPLG for funding.
Financial Records	- Expenditure Monitoring, - To monitor activity in 2021. - To accurately measure expenditure.	Available. - Agresso Financial Management System in use for monitoring of budget / spend. - Invoices of expenditure to date on file.
Documentation/Validation of Key Decisions.	- Governance. - Record Keeping. - Audit Trail.	Available - Assessment of Expression of Interest and related correspondence with developer was available. - Application to DHPLG was available. - Approval of Funding was on file. - Internal correspondence and correspondence with professional Services were on file.

Data Availability and Proposed Next Steps:

Costs were detailed in the Capital Appraisal document. Other financial data can be assessed on the Agresso Financial Management System i.e. invoices for all stages of the project e.g. quantity surveyor services invoice.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for **Bog Road, Portarlington (Turnkey) Social Housing Capital Project** 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.

Appraisal & Planning Review:
A Senior Executive Engineer was assigned the role of project coordinator for management of the project.

E - Tendering process was not applicable for this particular project as SI 284/2016 of Housing Circular 31/2019 specifically notes:
10. (1) These Regulations do not apply to public service contracts for—
(a) the acquisition or rental, by whatever financial means, of land, existing buildings or other immovable property or any interest in or right over any such land, existing buildings or immovable property.
Expressions of interest were advertised in Local Newspapers and on the Council's website.
Copies of emails/letters were also on file relating to correspondence with the approved Developer.

The appraisal process commenced at an early stage. A detailed Project 'Appraisal Document' is in place for the proposed construction of 28 housing units for social housing. It outlines the objectives and the needs for the housing units. Alternative options and constraints are clearly outlined in the document. Detailed cost and design details of the partially complete units were available. This detailed appraisal and recommendation document was completed and submitted to the DHPLG on 20th of November 2020.

An approval in principle was granted by the DHPLG following assessment of the Council's application for funding / capital appraisal document. The approval was to proceed with the purchase of 28 Units at Bog Road Portarlington and was issued by the DHPLG on December 21st 2020.

Compliance with Building and Planning Regulations:

The original grant of planning permission for this housing scheme dates back to September 2019, the Local Authority Granted Permission for the Bog Road development subject to 12 no. conditions. In October 2019 the decision was appealed under the Planning and Development Act 2000 (as amended) to an Bord Pleanála. In March 2020 An Bord Pleanála made an Order (Board Order ABP-305545-19) to grant permission for the development in accordance with the said plans and particulars, and thus upheld the decision of the Planning Authority. The Project File examined contained details of planning permission for housing at Bog Road Portarlington, from 2019 and record of correspondence with the Planning Department in relation to correct procedures and requirements. The scheme design was compliant with building and planning regulations at that time. All properties are to be certified compliant with the relevant planning and building regulations by a suitably qualified professional prior to handover to Offaly County Council. In addition, the council's technical housing and planning staff are to carry out final checks on properties & the entire housing estate to ensure standards set out in the specification proposed by the developer's initial proposal are met.

Project Commencement:

Correspondence with stakeholders in relation to proposal details and project requirements were available on the project file. It is anticipated that a developer will be appointed by the end of Q 2 2022. From discussions with Project Manager (SEE Housing) and review of onsite records there has been no major issue with the 'Appraisal / Planning' stage of this project. It is possible that the final account expenditure may increase by a margin greater than the proposed 10% due to the current inflationary increases in material and build related costs. The supplier has not indicated he will be seeking an increase in costs to date.

This in-depth check has found that the project is compliant with the requirement of the Public Spending Code (Appraisal Stage).

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 Document.
2. Assessment scoring documentation for appointment of quantity surveyor and memo of recommendation for appointment sent to project manager.
3. Evaluation results and scoring comparison criteria for Stage one submissions and cost analysis report for Stage two submissions.
4. The sources of funding have been clearly documented.
    - Record of funding applications made to DHPLG.
    - The rationale and suitability of the selected units were clearly outlined.

- Record of 'Approval in Principle' received from DHPLG.

5. The process for the selection of units: copies of correspondence with the vendor and vendor's solicitors were available, as was the draft conditions of sale document, which can be assessed in full upon completion of final contracts with developer.
6. Signed Approval in Principle for funding to the value of €6,928,294.87 (incl. VAT) in relation to this proposal. Contracts are almost finalised, and should be signed within the next ten days. CE Order required for contract approval.

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

There are no matters arising from this stage of the review and consequently Internal Audit is satisfied with the level of compliance at 'Appraisal stage'. The project manager is 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 **Bog Road Portarlington, Social Housing Construction Project**.

Summary of In-Depth Check

This project was categorised as Capital Expenditure 'Being Considered' in the 2021 PSC Inventory listing. The review of this project focused 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 a detailed Capital Appraisal Document supplemented with independent quantity surveyors report and submitted same to DHPLG. Each of the steps above were followed. A Senior Executive Engineer is assigned responsibility as project manager for each stage of the capital project.

Based on a review of documentation this project at 'appraisal stage' provides 'Satisfactory Assurance' that there is compliance with the Public Spending Code.

Section: Reporting Summary

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

10/05/2022: Final Report Issued to, Senior Executive Officer &, Senior Executive Engineer, Housing Department.

24.05.2022: Report Presented to Management Team.

Management Team Response??.05.2022:

24.05.2022: PSC Quality Assurance Report 2021 (including in-depth Report) certified by the Ms. Anna Marie Delaney, Chief Executive.

24.05.2022: PSC Quality Assurance Report 2021 published on www.offaly.ie and submitted to NOAC.