



Comhairle Contae Thiobraid Árann
Tipperary County Council

Public Spending Code
Quality Assurance Report 2014
Submitted to National Oversight Audit Commission (NOAC)
September 2015

Certificate

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

Signature of Accounting Officer:



Joe MacGrath
Chief Executive
Tipperary County Council

Date:

28th September, 2015.

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Introduction

Tipperary County Council has completed this Quality Assurance (QA) report as part of its on-going compliance with the Public Spending Code (PSC). The primary aim of the QA process is to establish the extent to which departments within the Local Authority are meeting the requirements outlined in the PSC.

2014 is the first year which Local Authorities have been required to meet the QA requirements of the PSC as required by the Department of Public Expenditure and Reform.

The Quality Assurance Process contains five steps:

Step 1 - Draw up inventories of projects/programmes with a value in excess of €0.5m.

Step 2 - The Organisation should publish summary information on its website of all procurements in excess of €10m, related to projects in progress or completed in the year under review.

Step 3 - Complete the 7 checklists contained in the PSC.

Step 4 - Carry out a more in-depth check on a sub set of projects/programmes from the Project Inventory based on the criteria set out within the Public Spending Code.

Step 5 - Complete a short summary report for the National Oversight and Audit Commission (NOAC).

This report addresses step 5 of the QA process.

Step 1: Inventory of Projects/Programmes

Appendix 1 sets out Tipperary County Councils Project Inventory detailing 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 expenditure matching these criteria are included in the Project Inventory.

All Directorates within Tipperary County Council were requested to compile a Project Inventory of relevant projects and programmes for the year under review, 2014.

Tipperary County Council identified a total of 99 current and capital projects with a total project value in the amount of €261.7m. These projects are split across expenditure being considered, being incurred and recently ended. The following tables provides a summary of the projects set out in Appendix 1:

Project Numbers	Revenue Expenditure			Capital Expenditure			Totals
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	
Expenditure Being considered	0	0	0	22	3	0	25
Expenditure Being Incurred	44	5	1	19	3	0	72
Expenditure recently ended	0	0	0	0	2	0	2
Totals	44	5	1	41	8	0	99

Project Values	Revenue Expenditure			Capital Expenditure			Totals
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	
	€M	€M	€M	€M	€M	€M	€M
Expenditure Being considered	0	0	0	34.9	25.3	0	60.2
Expenditure Being Incurred	69.1	40.7	21.9	26.0	30.8	0	188.5
Expenditure recently ended	0	0	0	0	13.0	0	13.0
Totals	69.1	40.7	21.9	60.9	69.1	0	261.7

Note: Appendix 1 includes 50 revenue projects/programmes with a total value in the amount of €131.7m. At the time of this review Tipperary County Council had yet to finalise its Annual Financial Statements for 2014 and as a result the revenue figures included in Appendix 1 are based on Unaudited Annual Financial Statements.

Step 2- Published Summary of Procurements

The Quality Assurance process requires Tipperary County Council to publish all procurements in excess of €10m on our website. There were no procurements in excess of €10M during 2014 in Tipperary County Council therefore there was no projects required to be reported on our website. This report is published on Tipperary County Councils website at the following location:

<http://www.tipperarycoco.ie/finance>

The screenshot shows the website header with contact information for Tipperary County Council, including Civic Offices in Clonmel and Nenagh, and a telephone number. The main navigation bar includes links for Home, Services, News, FAQs, Download it, Apply for it, Pay for it, and Municipal Districts. The Finance section is highlighted, featuring a list of services such as 'View Adopted Budget 2015', 'How to make a Complaint/Query a Bill Received', and 'Pay Bills/Fines Online'. A sidebar on the right lists various financial services like 'Budgets and Reports', 'Contacts and Staffing', and 'Online Payments'.

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Tipperary County Council

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Home Finance

- ✓ View Adopted Budget 2015
- ✓ How to make a Complaint/Query a Bill Received
- ✓ Where do suppliers submit invoices and what information needs to be included?
- ✓ Pay Bills/Fines Online
- ✓ Contact the Cash Office

Welcome Publications Forms FAQs News / Events

FINANCE SECTION

The Finance Management Function incorporates the control and management of the Council's finances both revenue and capital. More information on the various services provided by the section is available from the links right menu bar.

The work of the Finance section includes

- 1 processing all payments to suppliers
- 2 issuing of receipts for money received

- Budgets and Reports
- Contacts and Staffing
- Online Payments
- Internal Audit
- Accounts Payable
- Rates Service
- Cash office

Step 3- Checklists

Step 3 of the QA process requires the completion of 7 Checklists for the purpose of providing a self assessment overview of how compliant Tipperary County Council were with the Public Spending Code during 2014.

The checklists were completed by the spending Directorates and submitted to the Head of Finance, where they were compiled to create one of each of the 7 checklists representing Tipperary County Councils assessment of its compliance with the PSC.

The following checklists are set out in **Appendix 2** of this report:

Checklist 1: General Obligations Not Specific to Individual Projects/Programmes

Checklist 2: Capital Projects or Capital Grant Schemes Being Considered

Checklist 3: Current Expenditure Being Considered

Checklist 4: Capital Expenditure Being Incurred

Checklist 5: Current Expenditure Being Incurred

Checklist 6: Capital Expenditure Completed

Checklist 7: Current Expenditure Completed

The compiled responses from the completion of the 7 Checklists show a satisfactory level of compliance with the code considering this is the first year that the quality assurance process is being applied. However there are areas that need improvement. Although there were no serious issues evident from the completion of the checklists, a greater appreciation of the requirements of the PSC throughout the various spending departments needs to be adopted through-out Tipperary County Council.

Step 4- In-depth Review of a Sub-set of Projects

Step 4 of the QA process requires Internal Audit to carry out an in-depth review of a sample of projects to ascertain Tipperary County Council's level of compliance with the Public Spending Code. Per the requirements of the PSC the value of the projects selected by Internal Audit for the in-depth review stage should be at least 5% of the total value of all projects on the Project Inventory. This minimum of 5% is an average over 5 years.

Internal Audit firstly selected at random 2 projects from the Project Inventory (**Appendix 1**) having regard to the value of the projects and the spending department within the Local Authority in order to have a good range of project types and scales to review.

A full report was completed by Internal Audit and submitted to the Chief Executive and Management Team of Tipperary County Council. Based on the review carried out by Internal Audit it appears that there are varying levels of compliance with the Public Spending Code. **Appendix 3** sets out the Executive Summary of Internal Audits In-Depth Review.

A number of recommendations were highlighted as part of Internal Audits Review and will be address accordingly by Management.

Conclusion

This report sets out all the requirements of the QA process of the PSC.

In summary,

- A Project Inventory has been completed by Tipperary County Council for 2014;
- Any disclosures of procurements in excess of €10m have been published on Tipperary County Councils website;
- The 7 compliance checklists were compiled under the terms of the PSC. These checklists indicate that there is a satisfactory level of compliance with the Public Spending Code. As part of this process no serious concerns were raised of non-compliance with the PSC, however there are areas which need improvement;
- An in-depth review of a sample of projects has been completed. Where issues were noted, recommendations were made to address same; and
- This report has been prepared which sets out the QA requirements of the Public Spending code and will be published on Tipperary County Councils website on 30th September 2015.

Overall the QA process has provided Management of Tipperary County Council with reasonable assurance that the requirements of the PSC are being adhered to. However Management will need to ensure that Directorates have a greater appreciation of the requirements of the PSC. Full compliance with the PSC will need to be encouraged going forward. This will involve training on the requirements of the code where necessary and greater emphasis on the importance of compliance with the PSC will need to be communicated to relevant staff.

The annual internal audit plan for 2016 will place greater emphasis on Value for Money audits and procurement process across the various spending departments. In addition to this there is a full time Administrative Officer employed as a Procurement Officer who will be able to advise and assist spending Directors on all matters concerning procurement.

APPENDIX 1 – Inventory of Projects and Programmes over €0.5m – 2014

The following table sets out Tipperary County Councils Project Inventory detailing 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 expenditure matching these criteria are included in the Project Inventory.

Project/ Programme Description	Expenditure Being Considered					
	Revenue Expenditure			Capital Expenditure		
Projects of total value	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m
Housing Programme						
Project No.1				€0.8m		
Project No.2				€1.6m		
Road Service Programme						
Project No.1				€0.5m		
Project No.2				€0.5m		
Project No.3				€0.6m		
Project No.4				€0.7m		
Project No.5				€0.8m		
Project No.6				€1.0m		
Project No.7				€1.6m		
Project No.8				€2.8m		
Project No.9					€5.0m	
Project No.10					€8.0m	

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Project/ Programme Description	Revenue Expenditure			Capital Expenditure		
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m
Projects of total value						
Water Services						
Project No.1				€0.8m		
Project No.2				€2.0m		
Project No.3				€2.0m		
Project No.4				€2.1m		
Project No.5				€3.5m		
Project No.6				€4.0m		
Project No.7					€12.3m	
Environment						
Project No.1				€0.5m		
Project No.2				€2.0m		
Fire Services						
Project No.1				€0.9m		
Corporate Services						
Project No.1				€0.5m		
Project No.2				€2.5m		
Municipal District						
Project No.1				€3.3m		
TOTAL BEING CONSIDERED				€34.9m	€25.3m	€0.0m

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Project/ Programme Description	Expenditure Being Incurred			
	Revenue Expenditure	Capital Expenditure	Over €20m	Over €20m
Projects of total value	€0.5m - €5m	€5m - €20m	Over €20m	Over €20m
Housing Programme				
Project No.1				€0.6m
Project No.2				€0.6m
Project No.3				€1.3m
A01 Maintenance & Improvement		€5.9m		
A02 Housing Assessment	€0.9m			
A03 Rent & Tenant Purchase	€1.2m			
A04 Community Development & Support	€0.6m			
A05 Homeless Service	€0.5m			
A06 Support to Capital Programme	€2.2m			
A07 RAS		€9.8m		
A08 Housing Loans	€1.0m			
A09 Housing Grants	€1.5m			
Road Services				
Project No.1				€0.5m
Project No.2				€0.6m
Project No.3				€0.6m
Project No.4				€0.8m
Project No.5				€0.9m
Project No.6				€0.9m
Project No.7				€1.9m
Project No.8				
B01 NP Road Maintenance & Improvement	€1.1m			

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Project/ Programme Description	Revenue Expenditure			Capital Expenditure		
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m
Projects of total value						
B02 NS Road Maintenance & Improvement	€0.9m					
B03 Regional Road Maintenance & Improvement		€9.5m				
B04 Local Road Maintenance & Improvement			€21.9m			
B05 Public Lighting	€2.2m					
B09 Car Parking	€1.5m					
B11 Agency & Recoupable	€1.2m					
Water Services						
Project No.1					€4.6m	
Project No.2					€12.4m	
Project No.3					€13.8m	
C01 Water Supply		€8.6m				
C02 Waste Water Treatment	€4.1m					
C03 Collection of Water & Waste Water Charges	€0.9m					
C05 Admin of Group & Private Installations	€0.7m					
C06 Support to Water Capital Prog	€1.0m					
C08 Local Authority Water & Sanitary Services	€0.5m					
Economic Development						
Project No.1					€3.0m	
D01 Forward Planning	€1.1m					
D02 Development Management	€2.1m					
D03 Enforcement	€1.3m					
D06 Community & Enterprise	€1.3m					
D09 Economic Development & Promotion	€1.7m					
D11 Heritage & Conservation Services	€0.6m					
D12 Agency & Recoupable	€0.7m					

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Project/ Programme Description	Revenue Expenditure			Capital Expenditure		
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m
Projects of total value				€0.5m - €5m	€5m - €20m	Over €20m
Environment						
E01 Landfill Operation & Aftercare	€2.2m					
E02 Recovery & Recycling Facilities	€0.9m					
E05 Litter Management	€0.9m					
E06 Street Cleaning	€1.5m					
E09 Maintenance of Burial Grounds	€1.4m					
E10 Safety of Structures & Places	€0.7m					
E11 Operation of Fire Service		€7.0m				
E13 Water Quality, Air & Noise Pollution	€0.7m					
E14 Agency & Recoupable	€0.5m					
Recreation & Amenity						
F01 Leisure Facilities Operation	€2.1m					
F02 Operation of Library & Archival Service	€4.6m					
F03 Outdoor Leisure Areas Operations	€2.3m					
F05 Operation of Arts Programme	€1.2m					
F06 Agency & Recoupable	€1.1m					
Agriculture, Education, Health & Welfare						
G04 Veterinary Service	€1.2m					
G05 Educational Support Services	€2.1m					
Miscellaneous Services						
Project No.1					€0.5m	
Project No.2					€0.6m	
Municipal District						
Project No.1					€0.9m	

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Project/ Programme Description	Revenue Expenditure			Capital Expenditure		
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m
Projects of total value						
Project No.2				€1.2m		
Project No.3				€2.0m		
Project No.4				€2.2m		
Project No.5				€3.0m		
Project No.6				€4.0m		
H03 Administration of Rates	€5.0m					
H04 Franchise Costs	€0.5m					
H09 Local Representation & Civic Leadership	€3.2m					
H10 Motor Taxation	€1.6m					
H11 Agency & Recoupable	€4.7m					
TOTAL BEING INCURRED	€69.1m	€40.7m	€21.9m	€26.0m	€30.8m	€0.0m

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Project/ Programme Description	Expenditure Recently Ended			
	€0.5m - €5m	€5m - €20m	Over €20m	Capital Expenditure
Projects of total value	€0.5m - €5m	€5m - €20m	Over €20m	€5m - €20m Over €20m
Housing Programme				
New Offices Tipperary Town				€6.0m
Water Services				
NTL1 Newport Water Supply Scheme Stage 2 NTCC				€7.0m
TOTAL RECENTLY ENDED				€0.0m €13.0m €0.0m

APPENDIX 2 – Checklists of Compliance

Checklist 1 – General Obligations not specific to Individual Projects or Programmes

Checklist 1: – to be completed by all Local Authorities

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Does the LA /Department ensure, on an ongoing basis that appropriate people within the LA /Department and in its agencies are aware of the requirements of the Public Spending Code?	3	2014 is the first year of the PSC in Local Government and all relevant staff & agencies have been notified of their obligations under the PSC
Has there been participation by relevant staff in external training on the Public Spending Code (i.e. DPER)	N/A	No Training provided for Local Government sector to date
Has Internal training on the Public Spending Code been provided to relevant staff?	3	2014 is the first year of PSC and training needs, if any, have yet to be identified. Guidance document has been developed and circulated.
Has the Public Spending Code been adapted for the type of project/programme that your Department is responsible for? i.e. have adapted guidelines been developed?	4	Yes. A guidance document has been developed for the QA adapting the PSC to Local Government structures and approach.
Has the LA / Department in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	N/A	No Projects relevant to the PSC
Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the LA / Department and to your agencies?	N/A	2014 is the first year of the quality assurance exercise in Local Authorities.
Have recommendations from previous Quality Assurance exercises been acted upon?	N/A	2014 is the first year of the QA requirement in Local Government
Has an annual Public Spending Code Quality Assurance Report been submitted to the National Oversight and Audit Commission (NOAC)?	4	Yes – Report submitted
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process ?	4	Required Sample reviewed
Has the Accounting Officer signed off on the information to be published to the website?	4	Yes. CE has signed off

Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant

Checklist 2 – Capital Expenditure Being Considered

Checklist 2: – to be completed in respect of capital projects or capital programme/grant scheme that is or was under consideration in the past year.

Capital Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Was a Preliminary Appraisal undertaken for all projects > €5m	4	Three projects were appraised in conjunction with other bodies.
Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	3	In conjunction with other bodies for Expenditure > €5m
Was a CBA completed for all projects exceeding €20m?	N/A	No projects > €20m
Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	
Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the Planning and Design Phase (e.g. procurement)?	4	Approval required to enable future grant draw downs.
If a CBA/CEA was required was it submitted to the CEEU for their view?	N/A	
Were the NDFA Consulted for projects costing more than €20m?	N/A	
Were all projects that went forward for tender in line with the Approval in Principle and if not was the detailed appraisal revisited and a fresh Approval in Principle granted?	3	Not in all cases
Was approval granted to proceed to tender?	4	Where required approval was granted.
Were Procurement Rules complied with?	4	
Were State Aid rules checked for all supports?	N/A	Not applicable to Local Government
Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	
Were Performance Indicators specified for each project/programme which will allow for the evaluation of its efficiency and effectiveness?	1	
Have steps been put in place to gather the Performance Indicator data?	2	

Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant

Checklist 3 – Current Expenditure Being Considered

Checklist 3: – New Current expenditure or expansion of existing current expenditure under consideration

Current Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Were objectives clearly set?	N/A	No programmes relevant to PSC in 2014
Are objectives measurable in quantitative terms?	N/A	No programmes relevant to PSC in 2014
Was an appropriate appraisal method used?	N/A	No programmes relevant to PSC in 2014
Was a business case incorporating financial and economic appraisal prepared for new current expenditure?	N/A	No programmes relevant to PSC in 2014
Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	N/A	No programmes relevant to PSC in 2014
Was the required approval granted?	N/A	No programmes relevant to PSC in 2014
Has a sunset clause been set?	N/A	No programmes relevant to PSC in 2014
Has a date been set for the pilot evaluation?	N/A	No programmes relevant to PSC in 2014
Has the methodology and data collection requirements for the pilot evaluation been agreed at the outset of the scheme?	N/A	No programmes relevant to PSC in 2014
If outsourcing was involved were Procurement Rules complied with?	N/A	No programmes relevant to PSC in 2014
Were Performance Indicators specified for each new current expenditure proposal or expansion of existing current expenditure which will allow for the evaluation of its efficiency and effectiveness?	N/A	No programmes relevant to PSC in 2014
Have steps been put in place to gather the Performance Indicator data?	N/A	No programmes relevant to PSC in 2014

Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant

Checklist 4 – Incurring Capital Expenditure

Checklist 4: - Complete if your organisation had capital projects/programmes that were incurring expenditure during the year under review.

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	4	Yes where appropriate
Did management boards/steering committees meet regularly as agreed?	3	Yes where appropriate
Were Programme Co-ordinators appointed to co-ordinate implementation?	3	Project Manager / Co-ordinators, - In-house / external to oversee the project.
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	3	Yes in respect of most projects
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Monitoring v budgets and timelines on most projects
Did the project keep within its financial budget and its time schedule?	3	Not on all projects
Did budgets have to be adjusted?		Yes some project budgets varied due to changes in circumstances.
Were decisions on changes to budgets/time schedules made promptly?	3	Yes
Did circumstances ever warrant questioning the viability of the project and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence)		No
If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination?		N/A
If costs increased was approval received from the Sanctioning Authority?	4	Yes, to enable future grant draws.
Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?		No
For significant projects were quarterly reports on progress submitted to the MAC (Management Team) and to the Minister?	4	Updates to Mgt Team and at Council meetings.

Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant

Checklist 5 – Incurring Current Expenditure

Checklist 5: - For Current Expenditure

Incurring Current Expenditure	Self- Assessed Compliance Rating: 0 - 4	Comment/Action Required
Are there clear objectives for all areas of current expenditure?	4	Yes. Spending Programme Defined as part of the Annual Budget Process
Are outputs well defined?	3	National KPIs are in place for Local Government
Are outputs quantified on a regular basis?	3	KPIs are established each year for specific services
Is there a method for monitoring efficiency on an ongoing basis?	3	Yes Budget performance and monitoring is in place.
Are outcomes well defined?	2	The development of the Annual Service Plans will enhance this measurement.
Are outcomes quantified on a regular basis?	2	The development of the Annual Service Plans will enhance this measurement.
Is there a method for monitoring effectiveness on an ongoing basis?	4	As part of the Annual Budget process.
How many formal VFMs/FPAs or other evaluations been completed in the year under review?	3	National KPIs in place for Local Government.
Is there an annual process in plan to plan for new VFMs, FPAs and evaluations?		VFM part of Audit Programme in Local Authorities
Have all VFMs/FPAs been published in a timely manner?		Not clear on relevance to Local Government.
Is there a process to follow up on the recommendations of previous VPMS/FPAs and other evaluations?		Not clear on relevance to Local Government.
How have the recommendations of VFMs, FPAs and other evaluations informed resource allocation decisions?		Not clear on relevance to Local Government.

Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant

Checklist 6 – Capital Expenditure Completed

Checklist 6: - to be completed if capital projects were completed during the year or if capital programmes/grant schemes matured or were discontinued.

Capital Expenditure Completed	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
How many post-project reviews were completed in the year under review?		2 projects completed in year under review, One building project final payment in 2014 and review carried out in 2013, The Water project will be reviewed by Irish Water.
Was a post project review completed for all projects/programmes exceeding €20m?		N/A
If sufficient time has not elapsed to allow a proper assessment of benefits has a post project review been scheduled for a future date?		Review completed in 2013 for building project, IW to review the water project
Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?		Yes in respect of building project.
Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?	4	Yes where applicable.
Was project review carried out by staffing resources independent of project implementation?	0	No

Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant

Checklist 7 – Current Expenditure at end of planned timeframe or discontinued

Checklist 7: - to be completed if current expenditure programmes that reached the end of their planned timeframe during the year or were discontinued.

Current Expenditure that (i) reached the end of its planned timeframe or (ii) Was discontinued	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Were reviews carried out of, current expenditure programmes that matured during the year or were discontinued?	N/A	No programmes relevant to PSC in 2014
Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes relevant to PSC in 2014
Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes relevant to PSC in 2014
Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No programmes relevant to PSC in 2014
Were any programmes discontinued following a review of a current expenditure programme?	N/A	No programmes relevant to PSC in 2014
Was the review commenced and completed within a period of 6 months?	N/A	No programmes relevant to PSC in 2014

Self-Assessed Ratings: 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant

APPENDIX 3 – Executive Summary of Internal Audits In-depth Review

Executive Summary

The Public Spending Code requires public bodies to establish an internal, independent, quality assurance procedure involving annual reporting on how organisations are meeting their Public Spending Code (PSC) obligations.

As a result of the above requirement, Internal Audit were responsible for carrying out an in-depth review of a sample of projects to ascertain Tipperary County Council's level of compliance with the Code. Per the requirements of the PSC the value of the projects selected by Internal Audit for the in-depth review stage should be at least 5% of the total value of all projects on the Project Inventory.

The total value of the inventory was estimated at €261.7m The projects selected by Internal Audit for review totalled €11m which equates to 4.2% of the total inventory.

Project 1

This capital project relates to a building project undertaken by Tipperary County Council. Council's own funds were provided for this project. During 2014 this project was being considered and as a result Internal Audit reviewed the appraisal process and the planning and design stage of the project. Based on Internal Audits review of this project it appears that there was inadequate compliance with the PSC. This is mainly due to lack of documented evidence on file regarding the appraisal process and the planning and design phase.

During Internal Audits review it was noted that a decision was taken to retain the services of consultants who had been engaged to carry out the planning and design phase of a project. As a direct result of the merger of Tipperary Local Authorities the project brief changed significantly from the original one. The decision to retain the appointed consultants was justified by the Director of Services but there appears to be a lack of documented evidence around the retention of the appointed consultants.

Internal Audit recommend the following:

1. During each stage of a projects life cycle Management need to ensure that all processes are well documented and filed appropriately for audit trial purposes. This would assist in validating if the various requirements of the Public Spending Code were adhered to.
2. In respect of the decision to retain existing service contractors on the basis of elapsed time it is extremely important that Management consider the following:
 - The original terms and conditions upon which the consultant was appointed as they may vary significantly from the new terms and conditions.
 - If continuing with the original engagement exposes the Local Authority to unnecessarily high fees.
 - If termination of the original engagement exposes the Local Authority to excessive compensation claims.
 - If there has been a material change to the service originally advertised and if this merits a new competition to take place.
 - Whether or not the consultants originally appointed still have the capacity to deliver the service as their circumstances may have changed since they were appointed.

It is essential that whatever consideration is given at the time of making the decision to continue or terminate an engagement that this is clearly documented and filed **prior** to the decision being made.

3. Management should ensure that all staff are made aware of the requirements of the Public Spending Code and provide training where necessary to ensure all staff are informed and aware of the importance of the employing good practices at all stages of the expenditure life cycle.

Management Response

Management accepts fully the observations and recommendations made above. Management also notes the following:

- When the original project was being procured proper procedures were followed in the appointment of the Design Team and in the progressing of the project.
- Management were working in a climate of great uncertainty post merger and did not have a defined structure in which to record decisions, and were not in a position to make decisions on the way forward (in relation to the works). The Council were unsure if it would continue with the current project, relocate the project, or abandon the project altogether.
- Management note Internal Audit's observation on this and acknowledge their appreciation of the situation, again the Council were not in a structured environment.
- Management appreciate the comments and think the report represents a fair assessment of the situation and agree that the decision to retain the Design Team should have been recorded at an earlier stage in the process.

Project 2

This capital project relates to a road realignment project under consideration by Tipperary County Council. If this project is approved for funding, this will be provided by the DTT&S. During 2014 this project was being considered and as a result Internal Audit reviewed the appraisal process and the planning and design stage of the project. Based on Internal Audit's review of this project it appears that there was adequate compliance with the requirements of the Public Spending Code.

The following sets out what Internal Audit based its opinion on:

1. A Strategy Report ("The Report") prepared by the Mid West Regional Design Office clearly sets out the objective of the project by identifying the needs that were to be met. It also details the proposed scale of the project and the initial estimated cost of the preferred option.
2. The Report outlines the options available and deals with the constraints and risks of each option and concludes the reasons for recommending progression with one option.
3. County Manager confirmation that work is progressed on the prioritised sections outlined in The Report as provided for in the 2013 allocations from the DTT&S.
4. County Manager confirmation to proceed with the advanced design as outlined in The Report.
5. Approval from the DTT&S to proceed to tender on the project based on the Tender Documents for the procurement of Consultants presented to the DTT&S by Tipperary County Council.

This project is still in its infancy with the consultants only being appointed in August 2015. It appears from Internal Audit that every effort is being made by the Roads Department to comply with the requirements of the Public Spending Code.



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