



**Cavan County Council**  
**Comhairle Chontae an Chabháin**

## **Quality Assurance Report for 2016**

**Cavan County Council**

To Be Submitted to the National Oversight and Audit Commission  
(NOAC), In Compliance with the Public Spending Code

# Certification

This Annual Quality Assurance Report reflects Cavan County Council's assessment of compliance with the Public Spending Code. It is based on the best financial, organisational and performance related information available across the various areas of responsibility.

Signature of Accounting Officer:



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**Mr. Tommy Ryan**  
**Chief Executive**

Date: 19<sup>th</sup> May 2017

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## **1. Introduction**

Cavan County Council has completed this Quality Assurance (QA) Report as part of its on-going compliance with the Public Spending Code<sup>1</sup> (PSC), and in accordance with the *“Public Spending Code (PSC) Quality Assurance Requirements – A Guidance Note for the Local Government Sector – Version 3”* as published in February 2017.

Following agreement with the Department of Public Expenditure and Reform (DPER), regarding the contents and approach by Local Authorities, the new Guidance notes - Version 3 were implemented.

The Primary changes in this version for the QA report for 2016 are:-

- Inclusion of Methodology and Template for In-depth Review.
- Agreed revisions in Checklists.
- Change in approach for determining projects for in-depth review.
- Redefinition of Capital Grant Schemes for the purpose of the QA exercise.
- Addition of Notes Column to the Project Inventory

It is important to note that 2016 is the third year in which the QA process has applied in Local Authorities.

*“Circular 13/13<sup>2</sup>: The Public Spending Code: Expenditure Planning, Appraisal & Evaluation in the Irish Public Service - Standard Rules & Procedures”* was issued in September 2013 implementing a comprehensive set of expenditure appraisal, Value for Money requirements and related guidance covering all public expenditure.

The new PSC replaces all previous guidelines, circulars and directions issued in relation to appraisal and Value for Money (VFM) e.g. the Capital Appraisal Guidelines 2005. The Code combines and updates the previous components of the VFM framework and also includes additional modules.

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<sup>1</sup> Public Spending Code, DPER, <http://publicspendingcode.per.gov.ie/>

<sup>2</sup> Circular 13/13: The Public Spending Code: Expenditure Planning, Appraisal and Evaluation in the Irish Public Services- Standard Rules & Procedures

## 1.1 - Quality Assurance Reporting Procedure

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 obligations. This new Quality Assurance procedure replaces and updates the “spot check” requirements previously laid down in Circular letter dated 15th May 2007. The Public Spending Code ensures that the state achieves value for money in the use of all public funds.

The Quality Assurance Process contains the following **five** steps:

1. **Drawing up Inventories of all projects/programmes at different stages of the Project (expenditure) Life Cycle. The four stages of the life cycle are:**
  1. Appraisal,
  2. Planning / Design,
  3. Implementation (Management)
  4. Post –Project / Post Implementation Review

Inventory lists must include all current and capital Projects / Programmes whose expenditure / lifetime cost is above €0.5m. Each of the Projects / Programmes identified must be further categorised under one of the following areas /stages of expenditure for the year under review:

- Expenditure being considered - (Appraisal, Planning)
- Expenditure being incurred - (Management, Monitoring, Evaluation)
- Expenditure that has recently ended - (Review, Evaluation)

The new treatment of Capital Grant Schemes within the Project Inventory for 2016 is as follows:

1. Where a Capital Grant Scheme is 100% funded by Government Grant – The Project Cost is included under Capital Programme
2. Where a Capital Grant Scheme is 100% funded by the Local Authority – The Project Cost is included under Capital Grant Scheme
3. Where a Capital Grant Scheme is primarily funded by Government Grant with an element of local funding – The Project Cost is included under Capital Programme

with a note made for each element funded by own resources e.g. Includes 20% local funding; and

4. Where a Capital Grant Scheme is primarily funded by Local Funding with an element of government grant funding – The Project Cost is recorded under Capital Grant Scheme with a note made for each element funded by government grant, e.g. Includes 40% government grant funding.

**2. Publishing summary information on website of all procurements in excess of €10m, whether new, in progress or completed in the year under review.**

**3. Completing checklists in respect of the different areas / stages of expenditure.**

Seven (7) basic checklists must be completed. These self-assessed estimates provide a self assessment overview of how compliant the organisation has been with the Public Spending Code.

The checklists are informed by the Project Inventory list and the self assessment of compliance can be based on an appropriate sample taken of projects/ programmes whose expenditure are relevant to the particular checklist. The sample could be 5-10% of projects / programmes and the sample should rotate from year to year.

Organisations are asked to estimate their compliance on each item on a 3 point scoring scale:

- 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 questions, deemed not relevant, N/A will be entered along with a comment.

These are high level checks that should be readily completed within each organisation. Only one of each checklist per Department/Agency/Local Authority is required. Checklists are not required for each project/programme.

The QA process for verifying the accuracy of responses on the checklist is based on a sample of projects/programmes and is Step 4 of the process.

#### **4. Carrying out a more in-depth check on a small number of selected projects/programmes.**

The in-depth check looks at a small subset of projects / programmes reported on the Project Inventory list, looking in more detail at the quality of the Appraisal, Planning and / or Implementation stages to make a judgement on whether the work was of an acceptable standard and that they are in compliance with the Public Spending Code.

The value of the projects selected for in depth review each year must follow the criteria set out below:

- Capital Projects: Projects selected must represent a minimum of 5% of the total value of all Capital projects on the Project Inventory.
- Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all Revenue Projects on the Project Inventory.
- The Same projects should not be selected more than once in a three year period unless it is a follow up to a serious deficiency discovered previously.
- Over a 3-5 year period all stages of the project life cycle and every scale of project should have been included in the in depth check

#### **5. Completing a summary report for the National Oversight and Audit Commission (NOAC).** The report will be generated as a matter of course through compliance with steps 1-4 above, and must be submitted by the end of May each year.

It includes:-

- The inventory of all projects/programmes above €0.5m,
- The website reference for the publication of procurements above €10m,
- The completed checklists,
- In Dept Checks and reviews
- The Local Authorities judgement on the adequacy of processes given the findings from the in-depth checks and
- The Local Authorities proposals to remedy any discovered inadequacies.

This report fulfils the fifth requirement of the QA Process for Cavan County Council for 2016.

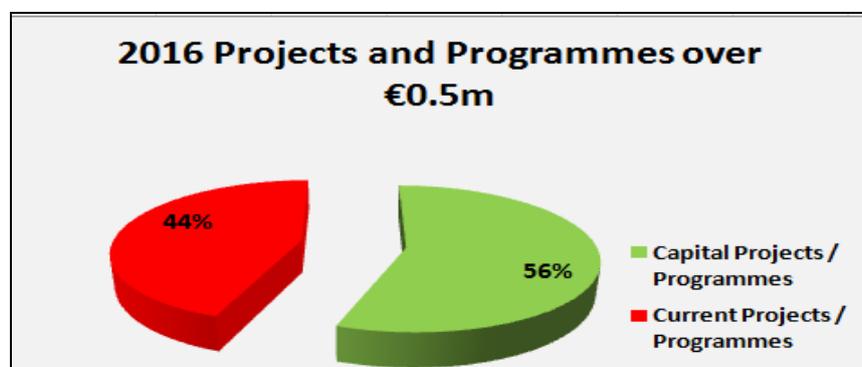
## 2. Expenditure Analysis 2016

### 2.1 - Inventory of Projects/Programmes

Cavan County Councils inventory list identifies projects and programmes at various stages of the project life cycle for **2016** whose expenditure / lifetime cost exceed €0.5m. This inventory is divided between current and capital projects / programmes (incl Capital Grant Schemes) which are further categorised under one of the following relevant areas / stages of expenditure:

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

The Inventory list for 2016, identifies a total number of **61** Projects / Programmes.  
(**27** Current and **34** Capital)

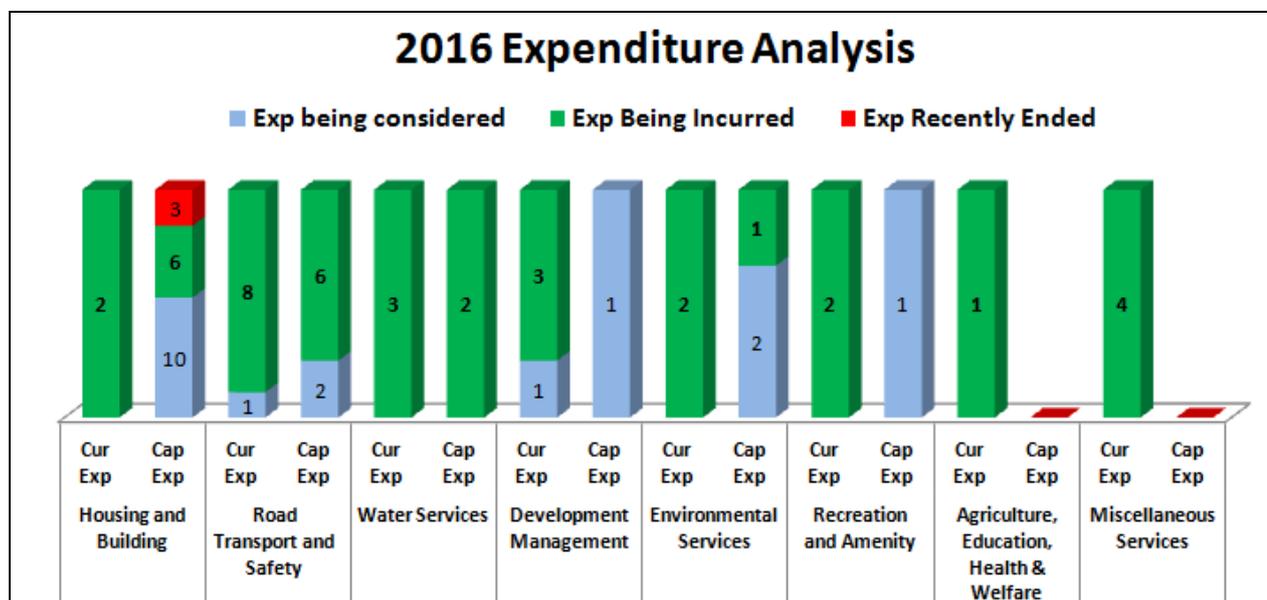


#### For the Purposes of this Report:-

- The Capital Expenditure identified for Projects/Programmes for **2016** refers as follows:-
  - **Under expenditure being considered** and **expenditure being incurred**, the expenditure figures shown are **the estimated total lifetime cost** of the project/programme identified.
  - **Under expenditure recently ended**, the expenditure figures shown are **the actual total lifetime cost** of the project/programme identified.
- The Current Expenditure identified for Projects/Programmes for **2016** refers as follows:-
  - **Under expenditure being considered**, only those projects / programmes whose budgets for 2017 increased by €0.5m or more, in comparison with their 2016 budgets, are included. The expenditure figures shown are the variance figure (the Value of the proposed Increase from 2016 to 2017).
  - **Under expenditure being incurred** and **expenditure recently ended**, the expenditure figures shown are **the actual expenditure costs for relevant services in 2016** (based on services identified in the AFS for the year under review).

## 2.2 – Summary of Inventory Analysis for 2016

The Chart below identifies the number of current and capital projects / programmes for each Service Division of Cavan County Council whose expenditure / lifetime cost was above €0.5m in 2016, and further divides each under the relevant areas / stages of expenditure.



Full inventory including details of each project / programme are listed in **Appendix 1**. For the purposes of clarity and accuracy the inventory in appendix 1 was compiled using the suggested template that accompanied the Quality Assurance Requirements – A Guidance Note for the Local Government Sector – Version 3” as published in February 2017.

### Expenditure being considered

There were a total of **18** projects / programmes being considered across the various spending and price categories. Housing and Building was the primary area with 10 projects/programmes listed. (1 Capital Grant scheme and 9 Capital Projects between values of €0.5 and €5 million).

### Expenditure being incurred

**40** projects / programmes were identified. Roads Transport and Safety was the primary area with 14 projects/programmes listed. 10 between values of €0.5 and €5 million, 2 projects / programmes listed between €5 and €20 million and 2 projects/programmes listed over €20 million.

### Expenditure that has recently ended

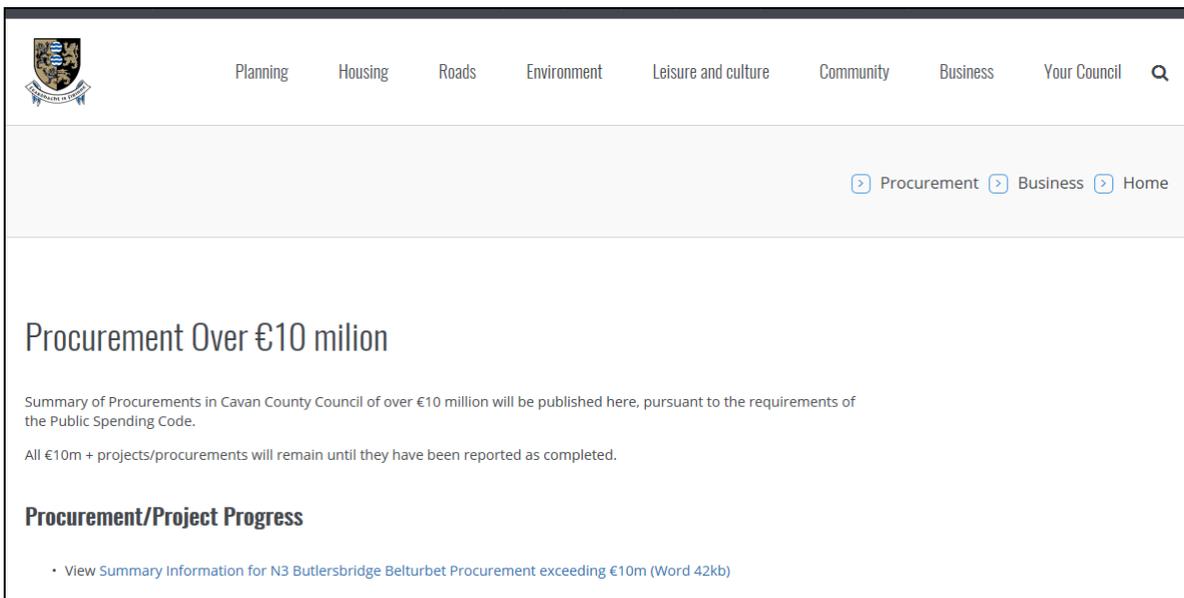
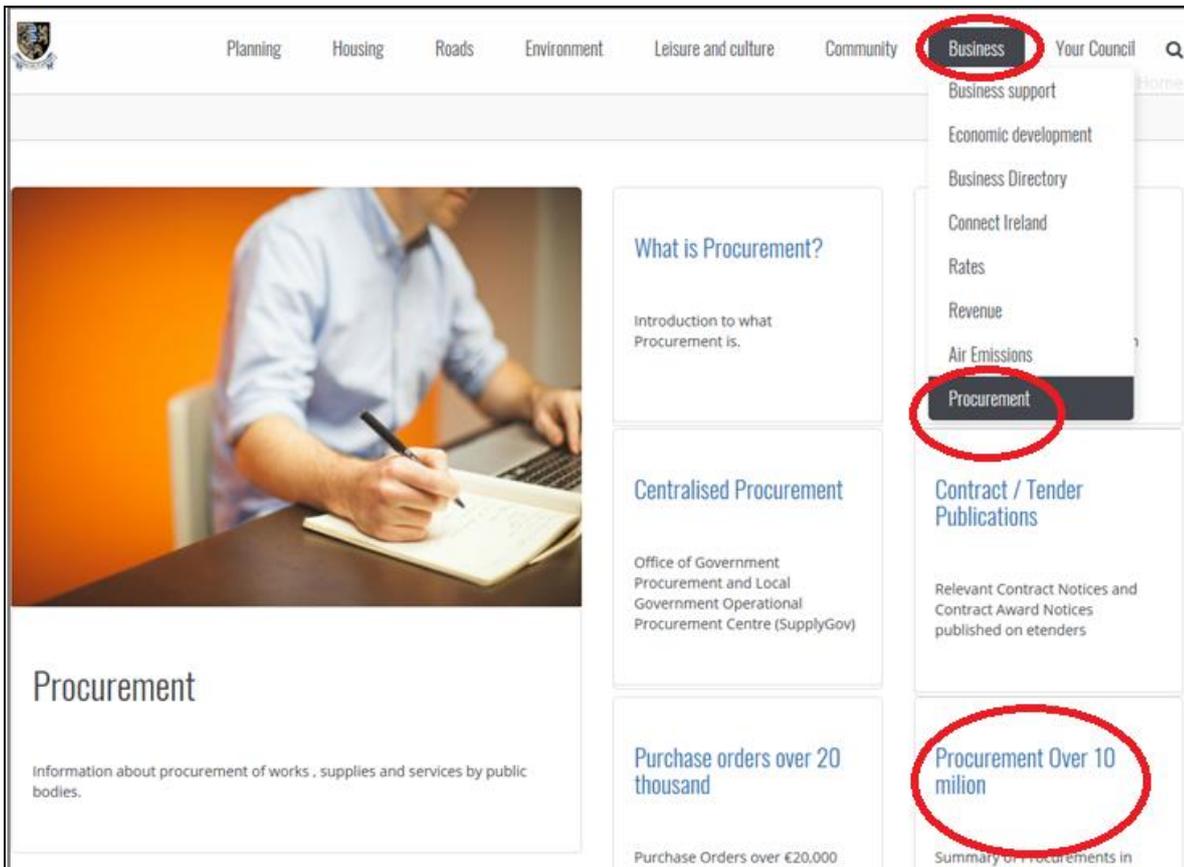
In 2016, **3** projects / programmes ended which incurred expenditure of over €0.5m. All 3 projects/programmes came under the area of Housing and Building.

## 2.3 - Published Summary of Procurements

As part of the Quality Assurance process Cavan County Council has published, summary information on the Council's website of all procurements in excess of €10m. Listed below is the link to this publication page and an illustration of its location.

### Link to Procurement Publications:

[http://www.cavancoco.ie/Default.aspx?StructureID\\_str=466](http://www.cavancoco.ie/Default.aspx?StructureID_str=466)



Source: [www.cavancoco.ie](http://www.cavancoco.ie)

## **3. Assessment of Compliance**

### **3.1 - Checklist Completion:**

The third step in the Quality Assurance process involves completing a set of checklists covering all expenditure. The high level checks in Step 3 of the QA process are based on a sample of self-assessments carried out within the relevant sections / departments of Cavan County Council in respect of guidelines set out in the Public Spending Code.

There are seven checklists in total:

- **Checklist 1:** General Obligations Not Specific to Individual Projects/Programmes
- **Checklist 2:** Capital Projects or Capital Grant Schemes Being Considered
- **Checklist 3:** Current Expenditure Being Considered
- **Checklist 4:** Capital Expenditure Being Incurred
- **Checklist 5:** Current Expenditure Being Incurred
- **Checklist 6:** Capital Expenditure Completed
- **Checklist 7:** Current Expenditure Completed

### **3.2 – Procedure used:**

**Checklist 1** - The first checklist captures obligations / good practice that apply to the organisation as a whole. This was completed by the Procurement Officer and verified by the Head of Finance.

**Checklist 2-7** – Cavan County Council, compiled a full set of checklists for the organisation, based on the sample of individual checklists completed by the relevant sections / departments within Cavan County Council.

In accordance with the Quality Assurance Guidelines – version 3, an appropriate sample of projects / areas of expenditure (as identified in the Inventory list), from relevant sections / departments within Cavan County Council were chosen to help inform the completion of each relevant overall checklist.

### 3.3 - Choosing appropriate Samples

The Councils total inventory list expenditure figure for 2016 is **€200,450,808**.

The following **19 samples** were chosen representing **27%** of this total expenditure.

#### a) Current Expenditure

The following **10** service types were selected from the **27** identified in the inventory list for 2016. These account for **33%** of the total current expenditure identified. To achieve a greater spread of sample for each expenditure type, one service type from each relevant Service Division was chosen.

#### Current Expenditure Being Considered

Service Division	Expenditure Type	Service Type	Increase in Proposed Exp from 2016 Budget to 2017 Budget
ROAD TRANSPORTATION and SAFETY	1	B03 - Regional Road - Maintenance and Improvement	€517,147.85
DEVELOPMENT MANAGEMENT	1	D06 - Community and Enterprise Function	€1,383,657.11

#### Current Expenditure Being Incurred

Service Division	Expenditure Type	Service Type	Service (Current) Expenditure
HOUSING and BUILDING	2	A07 - RAS Programme	€3,691,128.73
ROAD TRANSPORTATION and SAFETY	2	B01 - NP Road - Maintenance and Improvement	€1,367,031.52
WATER SERVICES	2	C02 - Waste Water Treatment	€1,536,446.14
DEVELOPMENT MANAGEMENT	2	D09 - Economic Development and Promotion	€1,020,349.94
ENVIRONMENTAL SERVICES	2	E11 - Operation of Fire Service	€4,104,201.23
RECREATION and AMENITY	2	F02 - Operation of Library and Archival Service	€1,887,212.24
AGRICULTURE, EDUCATION, HEALTH and WELFARE	2	G04 - Veterinary Service	€519,707.66
MISCELLANEOUS SERVICES	2	H11 - Agency & Recoupable Services	€1,331,374.78

**Expenditure Type - 1 = Being Considered, 2 = Being Incurred, 3 = Recently Ended**

No Current Expenditure Projects/Programmes ended in **2016**

## b) Capital Expenditure

The following **9** Capital Projects were selected from the **34** identified in the inventory list for 2016. These account for **25%** of the total capital expenditure identified. To achieve a greater spread of sample, a minimum of 3 samples from each expenditure type was chosen.

Project/ Programme Description	Expenditure Type	Project/ Programme Description	Capital Expenditure
ROAD TRANSPORTATION and SAFETY	1	22111N3M - N3 Virginia to Maghera Realignment	€20,300,000
DEVELOPMENT MANAGEMENT	1	Office Renovation/Town Hall	€1,750,000
ENVIRONMENTAL SERVICES	1	Ballyjamesduff Fire Station	€850,000
HOUSING and BUILDING	2	11502295 - Ballyhaise - Construction of 8 Units	€1,700,000
ROAD TRANSPORTATION and SAFETY	2	22211551 - Dundavan Mullaghoran Realignment Scheme - N55	€7,897,647
WATER SERVICES	2	31202220 - Capital Replacement Fund Grant Aid - Group Water Schemes	€1,393,577
HOUSING and BUILDING	3	2016 Allocation - Housing Adaptation Grant Schemes For Older People and People with a Disability	€1,379,410
HOUSING and BUILDING	3	11502231 - Mullagh – Construction of 6 Units	€663,189
HOUSING and BUILDING	3	House Purchases 2014	€1,015,102

**Expenditure Type - 1 = Being Considered, 2 = Being Incurred, 3 = Recently Ended**

### 3.4. – Checklist Results:

The full set of checklists for Cavan County Council is set out in **Appendix 2** of this report. In addition to the self-assessed scoring, the vast majority of answers are accompanied by explanatory comments. Each question in the checklist is judged by a 3 point scoring scale – 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, or 3 = Broadly Compliant. For questions, deemed not relevant, N/A is entered along with a comment.

### 3.5 - Main Issues Arising from Checklist Assessment

The completed check lists show the extent to which Cavan County Council believes it complies with the Public Spending Code. Overall, the checklists show a good level of compliance with the Code.

Cavan County Councils set of checklists takes an overview of expenditure covering the organisation as a whole. A sample of individual checklists from relevant sections / departments within Cavan County Council have informed the completion of the Councils overall checklists.

The following are the **main issues arising from the relevant checklist:-**

### **3.5.1 General Obligations:-**

- a) Checklist 1 – General Obligations:** - 2016 is the third year of the Public Spending Code. No training provided to Local Government in 2016. However the Checklist demonstrates the Councils commitment to adhering to the Public Spending Code and the desire for training in this area.

### **3.5.2 Expenditure being considered:-**

- a) Checklist 2 – Capital Expenditure:** - The checklist for capital expenditure under consideration suggests good levels of compliance with the PSC in general with regard to areas such as appraisal, procurement, and complying with the relevant Sanctioning Authorities requirements.
  
- b) Checklist 3 - Current Expenditure:** - Changes in approach to Current Expenditure “Being Considered” has led to the inclusion of projects and programmes to the QA Inventory list where there is an increase in variances of €0.5m or more in budget items for 2017 versus 2016. The Checklist for Current Expenditure “Being Considered” suggests a good level of compliance with the PSC through appraisal (assessed as part of the Budgetary Process) clear objectives, procurement, and complying with the relevant Sanctioning Authorities requirements.

#### **Expenditure being incurred:-**

- a) Checklist 4 – Capital Expenditure:** - Good levels of compliance are evident, with regards, appointment of Project / Programme Managers, regular communication with relevant Sanctioning Authority, conducting meetings and issuing reports.
  
- b) Checklist 5 – Current Expenditure:** - The services identified are primarily rolling year to year. Services provided are statutory functions of the Local Authority and therefore have strict rules and regulations that must be complied with. The checklist provides good evidence of compliance with regards clear objectives, outputs and outcomes as identified in various Legislation, Regulations, Schemes, Programmes, Plans, Financial records, Service Indicators, KPI’s, and relevant Sanctioning Authority Returns etc.

### 3.5.3 Expenditure that has recently ended

- a) **Checklist 6 – Capital Expenditure:** - Post Project Reviews are undertaken on an ongoing basis or as and when required. The format for recording such reviews varies and may take place at different intervals as and when required by the project / programme.
  
- b) **Checklist 7 Current Expenditure:** - No current expenditure programmes were ended in 2016.

### 3.6 - In-Depth Checks

This section details the in-depth checks which were carried out by Cavan County Councils Internal Auditor as part of the Public Spending Code.

The Quality Assurance Guidelines – version 3, required closer examination of projects / programmes identified in the Inventory List for the year under review to be undertaken. It stipulates that Capital projects / programmes selected must represent at least 5% of the total value of all Capital projects / programmes identified in the Inventory list and Current projects / programmes selected must represent at least 1% of the total value of all Current (revenue) projects / programmes identified in the Inventory list.

For 2016 - The Internal Auditor selected One Current (revenue) Programme and one Capital Projects for further in-depth checks. A summary of each is detailed below and the full in-depth checks as laid out in the prescribed forms, are set out in **Appendix 4**.

**Current (revenue) Programme Selected** – D09 - Economic Development and Promotion – Total Expenditure Value **€1,020,349.94**. This represented **2%** of the total value of all Current (revenue) projects / programmes identified in the Inventory list for **2016**.

**Capital Project Selected** – 22111N3M - N3 Virginia to Maghera Realignment – Total estimated lifetime cost of **€20,300,000**. This represented **14%** of the total value of all Capital projects / programmes identified in the Inventory list for **2016**.

### **3.6.1 D09 - Economic Development and Promotion – Current (revenue) Programme - Expenditure Type – Being Incurred**

#### **Summary of In-Depth Check-**

Under section 4 of the Quality Assurance provisions contained in the Public Spending Code Cavan County Council is required to carry out an in-depth review on a minimum of 1% of the total value of all Revenue Projects on the PSC inventory list, averaged over a three year period. In line with this requirement an in-depth review of the Council's Economic Development & Promotion Programme - Revenue Code D009 was undertaken. The current expenditure value of this programme for 2016 was **€1,020,349.94** in 2016 which represents approximately **2%** of the total value of Cavan County Council PSC revenue projects of **€52,132,857.00**.

The prime aim of this programme is to strengthen and support the local enterprise environment and business culture of County Cavan. The key activities of the programme are closely linked operations and service provided by LEO Cavan which Cavan County Council has a statutory obligation to provide under the Local Government Reform Act 2014. The current income & expenditure of this revenue programme for 2016 was **€662,409.30**. The continued existence of this revenue programme is very much dependent of the grant assistance allocated by Enterprise Ireland and the local support of Cavan County Council.

The objectives, activities including the proposed output/targets and outcome of LEO Cavan are clearly defined in their Annual Enterprise Development Plan which is reviewed by the relevant stakeholders with an assessment of the key KPIs undertaken by the Executive and Enterprise Ireland.

All activities including the relevant business grant schemes of LEO Cavan are operated in line with the protocols outlined in the 3 Year Service Level Agreement between Cavan County Council & Enterprise Ireland. Dept funding allocations are strategically managed to ensure maximum outputs and outcomes are achieved and the associated services risks of LEO Cavan are identified and managed accordingly.

Based on findings of the in-depth review of the Economic Development Programme and services /activities of LEO Internal Audit is of the opinion that Cavan County Council appears to be broadly/substantially compliant with the relevant requirements of the Public Spending Code.

**3.6.2 22111N3M - N3 Virginia to Maghera Realignment – Capital Project -  
Expenditure Type – Being Considered**

**Summary of In-Depth Check:-**

Under section 4 of the Quality Assurance provisions contained in the Public Spending Code Cavan County Council is required to carry out an in-depth review on a minimum of 5% of the total value of all Capital Projects on the PSC inventory list, averaged over a three year period. In line with this requirement an in-depth review was undertaken of the proposed realignment of a Virginia to Maghera section of the N3 which is under consideration by the Roads & Infrastructure Dept of the Council. On drafting the inventory list for 2016 the estimated lifetime value of this proposed capital project is **€20,300,000.00** which represents approximately **14%** of the total value of Cavan County Council's PSC Capital Projects of **€148,317,951.00**.

The prime aim of the road realignment scheme which is under consideration is to improve road safety thereby reducing the number of collisions on this section of the N3. The area road in question is known to have very poor vertical and horizontal alignment with numerous commercial and domestic entrances and has significant collision history. The project is currently at the initial appraisal stages with the necessary Transport Infrastructure Ireland (TII) Dept approval sought to carry out a Mini Call-OFF competition for the appointment of Technical Consultants as set out in the relevant Framework Agreement-Lot 1b.

On the 27th Feb 2017 the Council awarded the technical consultancy contract to the most economical advantageous tender (MEAT) to undertake phases 1 & 2 of the project appraisal works that included the preparation of the Scheme Concept & Feasibility Study, Project Brief, Project Execution Plan, Health & Safety Plans, Publicity Requirements, Constraints Study & Route Selection Reports. This appraisal work is ongoing at present with a completion date set for Oct 2017. The future of this scheme very much depends on the outcome of the consultancy reports and ultimately TII funding approval. Further milestone dates to be developed accordingly.

As required by the Public Spending Code and the Project Management Guidelines the initial project appraisal works appear to have been strategically managed to date with the view of achieving the prime objective of the scheme and maximising the proposed outputs and outcomes.

Based on findings of the in-depth review on the proposed realignment of a Virginia to Maghera section of the N3 Capital Project the audit opinion is that Cavan County Council appears to be broadly/substantially compliant with the relevant requirements of the Public Spending Code.

## **4. Next Steps: Addressing Quality Assurance Issues**

Through the completion of this Quality Assurance (QA) report, Cavan County Council is satisfied that it is meeting the obligations set out in the Public Spending Code. Assurances have been collated, by sampling various projects / programmes and from letters/Memos of assurance of compliance with the Public Spending Code from each Head of Section / Department.

The completion of the five steps of the QA Process is very important and the process will continue to be embedded in to how Cavan County Council conducts its business. However this report must note that the QA process is extremely time consuming and can take up to 2 months or more from start to finish, requiring a significant co-ordination task in terms of liaising with all relevant sections / departments within Cavan County Council and collating of relevant information for the inventories and the checklists. Since its implementation with Local Authorities, back in 2014, the administrative burden of the QA process has not eased over time as had been expected.

In this regard due consideration should be taken by DPER with regards the roll out of a national training programme by the relevant authorities to all Council Officials bound by the Regulations of the Public Spending Code. Staff training on the public spending code is key to ensure greater understanding, proper compliance and best practices with regards file and record management. Staff training could also assist in easing the administrative burden of the QA process.

As discussed in Section 3, in-depth checks were carried out on one Capital Project and one Current (Revenue) Programme. These in-depth checks were useful in enabling the Council's internal auditor to develop his own independent opinion on the Council's compliance with the Public Spending Code. Given the outcome of the in-depth reviews undertaken, the Internal Auditors opinion is that Cavan County Council is broadly/substantially compliant (see Appendix 3) with the relevant requirements of the Public Spending Code.

Going forward, It is envisaged that the 5 steps of the Quality Assurance element of the PSC will continue to be coordinated by the Procurement Officer with in-depth checks being undertaken by the Internal Auditor over a longer period of time to allow the internal auditor sufficient time for assessments. It is also recommended that the Quality Assurance report continue to be published on the Council's website.

Finally, as not all Sections / Departments will be subject to in-depth checks, Letters/Memos of assurance of compliance with the Public Spending Code will continue to be sought annually from the Heads of each Section / Department. This will provide a basic level of comfort to the Chief Executive and Head of Finance with regard to each sections compliance with the Code.

**In summary, recommendations for future year QA reports are the following:**

1. Staff Training on the Public Spending Code is required.
2. Where existing spot check programmes are in place, they should continue in so far as possible by the Internal Auditor, and where applicable will be reported in the QA report for the relevant year.
3. Inventory will be updated annually and sample checklists will be required for various spend.
4. In depth Checks will be carried out as per the Public Spending Code.
5. Letters/Memo of assurance of compliance with the Public Spending Code will continue to be sought annually from the Heads of each Section / Department.
6. The Quality Assurance Report will be published on the Councils Web site.

## **5. Conclusion**

The inventory outlined in this report clearly lists the current and capital expenditure for the 2016 period that is being considered, being incurred, and that has recently ended. Cavan County Council has and will continue to publish details of all procurements in excess of €10 million on its website.

The checklists completed by Cavan County Council show a high level of compliance with the Public Spending Code. The in-depth checks carried out on a selection of projects / programmes revealed no major issues which would cast doubt on the Councils compliance with the Code.

This QA report has again identified a number of areas where assurance compliance is being met. These will continue to be monitored and where improvements can be made, they will be addressed accordingly. Training is crucial, and it is acknowledged that national training from relevant Government Departments has yet to be rolled out to all relevant Local Authority staff. This is essential and the Council will continue to seek same in order to ensure proper compliance with the Public Spending Code.

# Appendix 1

## Cavan County Council

### 2016 Inventory of Projects and Programmes over €0.5m

The following contains an inventory of Expenditure on Projects / Programmes with a value above €0.5m, categorised by:-

- Expenditure **being considered**,
- Expenditure **being incurred** and
- Expenditure **recently ended**.

Only projects with Total Project Expenditure matching these criteria are included in the Inventory table

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			Notes
	Current	Capital				> €0.5m			> €0.5m			
	> €0.5m	Capital Grant Schemes	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
> €0.5m	> €0.5m	€0.5 - €5m	€5 - €20m	€20m plus								
<b>Cavan County Council</b>												
<b>Housing &amp; Building</b>												
11502231 - Mullagh – Construction of 6 Units											€663,189	100% funded by Government Grant
House Purchases 2014											€1,015,102	100% funded by Government Grant
House Purchases 2015								€1,717,150				100% funded by Government Grant
Voluntary Housing Capital Assistance Scheme 2015 - 2016								€1,049,000				100% funded by Government Grant
2016 Allocation - Housing Adaptation Grant Schemes For Older People and People with a Disability											€1,379,410	Includes 20% Local Authority Funding
2017 Allocation - Housing Adaptation Grant Schemes For Older People and People with a Disability			€1,350,000									Includes 20% Local Authority Funding
House Purchases 2016								€1,300,000				100% funded by Government Grant
House Purchases 2017			€1,950,000									100% funded by Government Grant
Energy Retrofit Programme 2016								€1,530,250				100% funded by Government Grant
11502295 - Ballyhaise - Construction of 8 Units								€1,700,000				100% funded by Government Grant

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			Notes
	Current	Capital				> €0.5m			> €0.5m			
	> €0.5m	Capital Grant Schemes	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
	> €0.5m	€0.5 - €5m	€5 - €20m	€20m plus								
<b>Cavan County Council</b>												
<b>Housing &amp; Building (Condt)</b>												
11506438 - Mullagh- Construction of 8 Units		€1,400,000										100% funded by Government Grant
11506429 - Butlersbridge Construction of 4 Units							€694,000					100% funded by Government Grant
Energy Retrofit Programme 2017		€625,060										100% funded by Government Grant
Energy Retrofit Programme 2018		€600,000										100% funded by Government Grant
House Purchases 2018		€1,950,000										100% funded by Government Grant
House Purchases 2019		€1,950,000										100% funded by Government Grant
88820000 - Refurbishment of Old Library Buildings, Courthouse and New Library		€2,500,000										100% funded by the Local Authority
Voluntary Housing Capital Assistance Scheme 2017		€600,000										100% funded by Government Grant
Voluntary Housing Capital Assistance Scheme 2018		€600,000										100% funded by Government Grant
A01 - Maintenance & Improvement of LA Housing Units						€1,821,414						
A07 - RAS Programme						€3,691,129						

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			Notes
	Current	Capital				> €0.5m			> €0.5m			
	> €0.5m	Capital Grant Schemes	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
> €0.5m	> €0.5m	€0.5 - €5m	€5 - €20m	€20m plus								
<b>Cavan County Council</b>												
<b>Road Transportation and Safety</b>												
22111N3J - N3 Virginia Main Street Safety Scheme								€1,118,400				100% funded by Government Grant
22100010 - Butlersbridge/Belturbet								€51,000,000				100% funded by Government Grant
22211550 - Corduff To South Of Killydoon								€22,286,150				100% funded by Government Grant
22211551 - Dundavan Mullaghoran Realignment Scheme - N55								€7,897,647				100% funded by Government Grant
Cavan Bridges Rehabilitations 2015 22100016 - Virginia Bridge 22100017 - Beaghy Bridge 22100018 - Billis Bridge 22200015 - Drumconra Bridge 22200016 - Claddagh Bridge 22200017 - Borim Bridge 22200018 - Doon Bridge 22200019 - Derryginny Bridge 22200020 - Killycrin Bridge								€2,950,000				100% funded by Government Grant
221000N3 - N3 Raheelagh to Kilmore Roundabout Pavement Overlay								€1,500,000				100% funded by Government Grant

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			Notes
	Current	Capital				> €0.5m			> €0.5m			
	> €0.5m	Capital Grant Schemes	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
	> €0.5m	€0.5 - €5m	€5 - €20m	€20m plus								
<b>Cavan County Council</b>												
<b>Road Transportation and Safety (condt)</b>												
22111N3M - N3 Virginia to Maghera Realignment					€20,300,000							100% funded by Government Grant
22111N3L - N3 Dublin Road Roundabout		€1,450,000										100% funded by Government Grant
B01 - NP Road - Maintenance and Improvement						€1,367,032						
B02 - NS Road - Maintenance and Improvement						€698,490						
Level of Increase proposed for 2017 service cost- B03 - Regional Road - Maintenance and Improvement	€517,148											
B03 - Regional Road - Maintenance and Improvement						€3,906,202						
B04 - Local Road - Maintenance and Improvement						€11,617,615						
B05 - Public Lighting						€662,818						
B07 - Road Safety Engineering Improvement						€572,600						
B09 - Car Parking						€599,591						
B11 - Agency & Recoupable Services						€924,827						

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			Notes
	Current	Capital				> €0.5m			> €0.5m			
	> €0.5m	Capital Grant Schemes	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
	> €0.5m	€0.5 - €5m	€5 - €20m	€20m plus								
<b>Cavan County Council</b>												
<b>Water Services</b>												
31202220 - Capital Replacement Fund Grant Aid - Group Water Schemes								€1,393,577				100% funded by Government Grant
31200755 - 2016 - 2018 Multi - Annual Rural Water Capital Allocation Programme								€5,605,856				100% funded by Government Grant
C01 - Water Supply						€2,266,521						
C02 - Waste Water Treatment						€1,536,446						
C05 - Admin of Group and Private Installations						€2,706,516						
<b>Development Management</b>												
Office Renovation/Town Hall			€1,750,000									Includes 43% Local Authority Funding
D02 - Development Management						€837,515						
Level of Increase proposed for 2017 service cost - D06 - Community and Enterprise Function	€1,383,657											
D06 - Community and Enterprise Function						€2,134,428						
D09 - Economic Development and Promotion						€1,020,350						

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			Notes
	Current	Capital				> €0.5m			> €0.5m			
	> €0.5m	Capital Grant Schemes	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
> €0.5m	> €0.5m	€0.5 - €5m	€5 - €20m	€20m plus								
<b>Cavan County Council</b>												
<b>Environmental Services</b>												
Virginia Fire Station			€1,000,000									100% funded by Government Grant
Ballyjamesduff Fire Station			€850,000									100% funded by Government Grant
51202037 - Corranure Cell 4 Development							€1,100,013					100% funded by the Local Authority
E01 - Landfill Operation and Aftercare						€554,689						
E11 - Operation of Fire Service						€4,104,201						
<b>Recreation and Amenity</b>												
Virginia Library			€3,543,147									To be Primarily funded by Government Grant with an element of local Authority funding. The exact % breakdown has not been determined.
F02 - Operation of Library and Archival Service						€1,887,212						
F05 - Operation of Arts Programme						€1,447,542						

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			Notes
	Current	Capital				> €0.5m			> €0.5m			
	> €0.5m	Capital Grant Schemes	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
> €0.5m	> €0.5m	€0.5 - €5m	€5 - €20m	€20m plus								
<b>Cavan County Council</b>												
<b>Agriculture, Education, Health &amp; Welfare</b>												
G04 - Veterinary Service						€519,708						
<b>Miscellaneous Services</b>												
H03 - Administration of Rates						€2,667,846						
H09 - Local Representation & Civic Leadership						€743,058						
H10 - Motor Taxation						€612,927						
H11 - Agency & Recoupable Services						€1,331,375						

## **Appendix 2**

All Self-Assessment Checklists  
(1 – 7)

For 2016

**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)?	3	All relevant staff & agencies are notified of their obligations under the PSC, and each Head of Section or Agency is required to confirm their compliance by completing an Annual Assurance of Compliance form.
1.2 Has training on the Public Spending Code been provided to relevant staff within the authority?	2	2016 is the third year of the PSC in Local Government. No Dept Training was provided for Local Government sector in 2016. However the PSC and the QA guidance (version 3) were circulated to all relevant staff and agencies and they were instructed and advised on same.
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	Where applicable the PSC is adapted and each Head of Section or Agency is required to confirm their compliance by completing an Annual Assurance of Compliance form.
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	Yes - each Head of Section is required to confirm their compliance with same in completing an Annual Assurance of Compliance form.
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies?	3	Yes - Quality Assurance (QA) exercises and additional Internal Auditor spot checks (on services), reports & recommendations have been sent to the relevant Sections for review and application
1.6 Have recommendations from previous QA reports been acted upon?	3	Yes – Internal Auditor still conducts Spot checks outside of the PSC. Inventory list updated Annually & Assurance of compliance with the PSC sought on an annual basis from the heads of each Section / Departments / Agency
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 – QA Report has been certified by the Chief Executive, submitted to NOAC and published on the authority's website
1.8 Was the required sample of projects / programmes subjected to in-depth checking as per step 4 of the QAP?	3	Yes - Required Sample reviewed
1.9 Is there a process in place to plan for ex post evaluations / Post Project Reviews? - <b>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.</b>	2	Yes – Where Post Project evaluations are part of the process, close out reports, and post project annual progress reports are submitted to the relevant Sanctioning Authority as and when required.
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	2 of the projects/programmes that ended in 2015 (equating to 5% of exp ended) and 2 of the projects/programmes that ended in 2016 (equating to 67% of exp ended) had some form of post project review carried out e.g. Post Project review, Annual post progress reports, final financial reports, close out reports etc
1.11 Is there a process to follow up on the recommendations of previous evaluations /Post project reviews?	2	While each evaluation/Post Project review is very much project specific, the findings are noted for future consideration.
1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions?	2	Outcomes and Findings have made staff more aware of the importance of pre project planning and realistic budgeting.
<b>Self-Assessed Ratings:</b> 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, 3 = Broadly Compliant		

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

Capital Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
2.1 Was a preliminary appraisal undertaken for all projects > €5m?	3	Yes – when applicable, appraisals were undertaken in the format required by the relevant Sanctioning Authority & sent to them for approval
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	3	Yes – Appropriate appraisals conducted in accordance with the relevant Sanctioning Authority guidelines and requirements.
2.3 Was a CBA/CEA completed for all projects exceeding €20m? <b>CBA = Cost Benefit Analysis , CEA = Cost Effectiveness Analysis</b>	N/A	Not undertaken yet for project listed, however a CBA will be carried out as part of the Appraisal process, in accordance with the relevant Sanctioning Authority guidelines and requirements
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes – early appraisal is conducted in accordance with relevant Sanctioning Authority guidelines, to facilitate decision making.
2.5 Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the planning and design phase (e.g. procurement)?	3	Where this is a requirement, all necessary approval is sought, & only when approval in principle is granted can the project/programme proceed.
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views? <b>CBA = Cost Benefit Analysis , CEA = Cost Effectiveness Analysis CEEU = Central Expenditure Evaluation Unit</b>	N/A	Not undertaken yet for project listed,
2.7 Were the NDFA consulted for projects costing more than €20m? <b>NDFA = National Development Finance Agency</b>	N/A	Not undertaken yet for project listed,
2.8 Were all projects that went forward for tender in line with the Approval in Principle and, if not, was the detailed appraisal revisited and a fresh Approval in Principle granted?	3	Yes, where applicable, projects were tendered in line with approvals & relevant requirements.
2.9 Was approval granted to proceed to tender?	3	Yes – where applicable
2.10 Were procurement rules complied with?	3	Yes – Tenders are carried out in accordance with EU directives & National Guidelines
2.11 Were State Aid rules checked for all supports?	N/A	Not Applicable in Local Government
2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	Yes – where applicable
2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date?	3	Yes – where applicable, regarding project deadlines & funding drawdown
2.14 Have steps been put in place to gather performance indicator data?	3	Yes – where applicable, regarding programme of works & dates for funding drawdown
<b>Self-Assessed Ratings:</b> 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, 3 = Broadly Compliant		

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

<b>Current Expenditure being Considered – Appraisal and Approval</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
3.1 Were objectives clearly set out?	3	Yes – Projects/programmes have a clear objective.
3.2 Are objectives measurable in quantitative terms?	3	Yes – Where applicable as part of proposals to the relevant Sanctioning Authority
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	N/A	No new programmes relevant to PSC in 2016. However Current Expenditure was assessed as part of the Budgetary Process and where applicable, project appraisals were undertaken.
3.4 Was an appropriate appraisal method used?	3	Yes – Where applicable appraisal methods defined by relevant Sanctioning Authority
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	N/A	Projects and Programmes did not exceed these thresholds.
3.6 Did the business case include a section on piloting?	N/A	No new programmes relevant to PSC in 2016
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	No new programmes relevant to PSC in 2016
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	No new programmes relevant to PSC in 2016
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	N/A	No new programmes relevant to PSC in 2016
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	N/A	No new programmes relevant to PSC in 2016
3.11 Was the required approval granted?	3	Yes – spend in this area is subject to approval and funding from the relevant sanctioning Authority
3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?	N/A	The Current Expenditure within the revenue divisional codes and service levels are ongoing. However were applicable Projects/ Programmes that are outsourced have set service delivery periods and end dates.
3.13 If outsourcing was involved were procurement rules complied with?	3	Yes – Tenders are carried out in accordance with EU directives & National Guidelines
3.14 Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure programme which will allow for a robust evaluation at a later date?	3	Yes – where applicable, performance indicators regarding project deadlines, outputs, funding drawdown etc
3.15 Have steps been put in place to gather performance indicator data?	3	Yes – where applicable, performance related data is reported back to the relevant Sanctioning Authority as & when required.
<b>Self-Assessed Ratings:</b> 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, 3 = Broadly Compliant		

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

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
4.1 Was a contract signed and was it in line with the Approval in Principle?	3	Yes - where applicable
4.2 Did management boards/steering committees meet regularly as agreed?	3	Yes -where applicable – Regular Meetings did take place
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	Yes if deemed necessary by the Sanctioning Authority. Usually programme implementation is monitored by relevant Council staff.
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	Yes – Project Managers appointed are usually at a senior level.
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Yes - when required, & in accordance with the relevant Sanctioning Authorities guidelines.
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	Yes - In most cases projects were kept within budget, & time schedule. However where this was not the case, the increase in spend /time taken was not deemed excessive and were managed effectively.
4.7 Did budgets have to be adjusted?	N/A	Most Projects still ongoing, but where applicable Budgets were/are adjusted in accordance with Management approval & /or with Sanctioning Authorities approval(if necessary)
4.8 Were decisions on changes to budgets / time schedules made promptly?	N/A	Where applicable Decisions on changes to budgets/time schedules are usually made promptly
4.9 Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence, etc.) <b>CBA = Cost Benefit Analysis , CEA = Cost Effectiveness Analysis</b>	N/A	No
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?	N/A	N/A
4.11 If costs increased was approval received from the Sanctioning Authority?	N/A	Where applicable - approval from Management is sought and (if required) the approval from the Sanctioning Authority is sought in accordance with their guidelines
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
<b>Self-Assessed Ratings:</b> 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, 3 = Broadly Compliant		

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

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
5.1 Are there clear objectives for all areas of current expenditure?	3	Yes – Spending Programme defined as part of annual budget process, relevant grant schemes & allocations, & objectives identified in the various annual Council Plans and Programmes i.e. Annual Service Plans, LEO Plans, Business plans etc.
5.2 Are outputs well defined?	3	Yes – outputs clearly defined in the relevant statutory regulations / acts, scheme or programme
5.3 Are outputs quantified on a regular basis?	3	Yes – depending on the scheme / programme, and annual service plans, various types of financial/activity reports service indicators and KPI's may be issued to the relevant Sanctioning Authority monthly, quarterly or annually
5.4 Is there a method for monitoring efficiency on an on-going basis?	3	Yes – Through various statistical reports, Sanctioning Authority reports, databases (Roadmap), Library management system, Personal Development Plans, & KPI's
5.5 Are outcomes well defined?	3	Yes – Through Annual Service Plans, LEO Plans, Various Schemes, Programmes, Circulars, & EU & National requirements.
5.6 Are outcomes quantified on a regular basis?	3	Yes – Captured in management reports, relevant Sanctioning Authority returns, Surveys, KPI's etc
5.7 Are unit costings compiled for performance monitoring?	3	Yes – Unit costings are compiled in accordance with the relevant Sanctioning Authority reporting requirements ,returns, KPI's etc
5.8 Are other data compiled to monitor performance?	3	Yes – Financial reports to relevant Sanctioning Authorities, Social Media, EPA and IW Reports, various Department returns, KPI's etc
5.9 Is there a method for monitoring effectiveness on an on-going basis?	3	Yes – Audits, Financial System, Sanctioning Authority returns & reports, National Service Indicators, Monthly Progress Reports to Councillors, KPI's etc.
5.10 Has the organisation engaged in any other 'evaluation proofing' <sup>3</sup> of programmes/projects?	3	Yes – Internal Audits, Local Government Audits, Department Audits. Reports to Sanctioning Authorities, Senior Management and Monthly Progress Reports to Councillors etc.
<b>Self-Assessed Ratings:</b> <b>1 =</b> Scope for significant improvements, <b>2 =</b> Compliant but with some improvement necessary, <b>3 =</b> Broadly Compliant		

<sup>3</sup> Evaluation proofing involves checking to see if the required data is being collected so that when the time comes a programme/project can be subjected to a robust evaluation. If the data is not being collected, then a plan should be put in place to collect the appropriate indicators to allow for the completion of a robust evaluation down the line.

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

Capital Expenditure Recently Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
6.1 How many post project reviews were completed in the year under review?	3	2 of the projects/programmes that ended in 2015 (equating to 5% of exp ended) and 2 of the projects/programmes that ended in 2016 (equating to 67% of exp ended) had some form of post project review carried out e.g. Post Project review, Annual post progress reports, final financial reports, close out reports etc
6.2 Was a post project review completed for all projects/programmes exceeding €20m?	N/A	N/A
6.3 Was a post project review completed for all capital grant schemes where the scheme both (1) had an annual value in excess of €30m and (2) where scheme duration was five years or more?	N/A	N/A
6.4 Aside from projects over €20m and grant schemes over €30m, was the requirement to review 5% (Value) of all other projects adhered to?	3	2 of the projects/programmes that ended in 2015 (equating to 5% of exp ended) and 2 of the projects/programmes that ended in 2016 (equating to 67% of exp ended) had some form of post project review carried out e.g. Post Project review, Annual post progress reports, final financial reports, close out reports etc
6.5 If sufficient time has not elapsed to allow for a proper assessment, has a post project review been scheduled for a future date?	3	Projects are reviewed and monitored on a regular basis. Post Project Reviews are conducted as and when required.
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	3	Usually lessons/issues that arise over the project are communicated back to the Sanctioning Authority for their information. Where applicable end of project feedback is also given.
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	2	Where possible, practices are amended in view of lessons learned
6.8 Were project reviews carried out by staffing resources independent of project implementation?	3	Yes – In some cases where works were carried out by private companies / contractor, inspections / assessments were conducted by Council Staff.
<b>Self-Assessed Ratings:</b> 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, 3 = Broadly Compliant		

**Checklist 7 – To be completed in respect of current expenditure programmes that reached the end of their planned timeframe during the year or were discontinued**

Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
7.1 Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	No programmes relevant to PSC in 2016
7.2 Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes relevant to PSC in 2016
7.3 Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes relevant to PSC in 2016
7.4 Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No programmes relevant to PSC in 2016
7.5 Were any programmes discontinued following a review of a current expenditure programme?	N/A	No programmes relevant to PSC in 2016
7.6 Were reviews carried out by staffing resources independent of project implementation?	N/A	No programmes relevant to PSC in 2016
7.7 Were changes made to the organisation's practices in light of lessons learned from reviews?	N/A	No programmes relevant to PSC in 2016
<b>Self-Assessed Ratings:</b> 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, 3 = Broadly Compliant		

## **Appendix 3**

### Audit Assurance Categories and Criteria

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

## **Appendix 4**

### Quality Assurance - In - Dept Checks and Reviews

## **Quality Assurance – In Depth Check**

### **Current (Revenue) Programme**

#### **D09 - Economic Development and Promotion**

# Quality Assurance – In Depth Check- Cavan County Council 2016

## Economic Development & Promotion/LEO Revenue Programme

### Section A: Introduction LEO Cavan

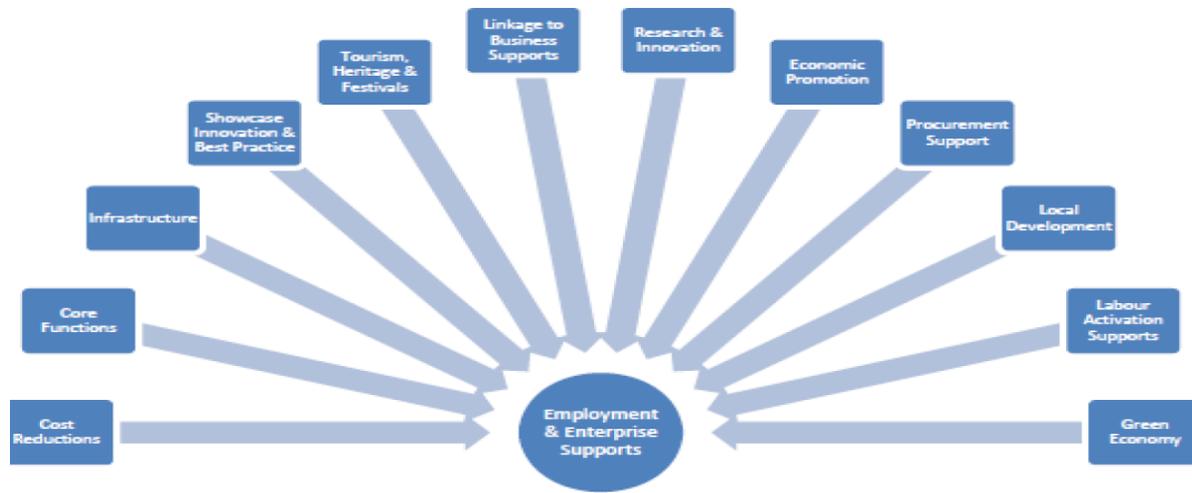
This introductory section details the headline information on the programme or project in question.

<b>Programme or Project Information</b>	
<b>Name</b>	<b>Revenue Service Division: Code D09</b> Cavan County Council's Economic Development & Promotion Programme.  linked to the Business Support Services of the  Local Enterprise Office, LEO Cavan
<b>Detail</b>	The aim of this programme is to strengthen the local enterprise environment and business culture within County Cavan. A key element of this is the business support services provided by the Local Enterprise Office (LEOs) which includes the provision of business mentoring, start up advice and enterprise funding / financial support.
<b>Responsible Body</b>	Community & Enterprise Dept of Cavan County Council
<b>Current Status</b>	Revenue Expenditure Being Incurred
<b>Start Date</b>	LEO Cavan operates within the confines of the Service Level Agreement between Enterprise Ireland and Cavan County Council which commenced in <b>April 2014</b> following the dissolution of the City and County Enterprise Boards (CEBs)
<b>End Date</b>	Ongoing. This is an Annual Economic Development Revenue Programme.
<b>Overall Cost</b>	Overall Cost of the D09 Revenue Programme for 2016 was <b><u>€1,020,349.94</u></b>  This includes LEO's annual operating costs of €662,409.30

**Project Description: Annual Economic Development Programme- LEO Cavan**

Under the Reform Act of 2014 the Local Authority's role in supporting enterprise and promoting wider economic development was enhanced. A greater focus was placed on supporting economic development with a view of sustaining and creating jobs locally.

### ***Overview of Local Government Economic Development & Enterprise Supports***



### **Summary of Cavan County Council's Economic Development Programme for 2016**

<b>Revenue Job Code</b>	<b>Details</b>	<b>Year 2016 €</b>
D0906	Operations of the Local Enterprise Office (LEO)	662,409.30
D0905	Economic Development & Promotion within the County	259,177.84
D0999	Supports Costs	98,762.80
<b>Revenue Service Division: Code DO9</b>	<b>Total</b>	<b>€1,020,349.94</b>

Primarily this programme is linked to the operations of the Local Enterprise Office (LEO's). Since 2014 local authorities have a statutory obligation to manage the services of LEO as part of the re-structuring and integration of the existing Business Support Units and former County Enterprise Boards. The prime objective of the new LEO structure is to improve the delivery of local enterprise supports to start-ups and micro businesses in every county including Cavan.

LEO operates under a 3 year Framework Service Level Agreement (SLA) between Enterprise Ireland and the local authorities which provides clear directions on standard governance

procedures and includes the drafting of an Annual / Strategic Enterprise Development Plan for each county.

LEO business activities are supported by exchequer funding secured by the Minister for the Department of Jobs, Enterprise and Innovation, with annual grant allocations managed by Enterprise Ireland for distribution to the local authorities. Cavan County Council receives an annual allocation of approx €650,000.00 from Enterprise Ireland with many local businesses and young entrepreneurs benefiting from the business supports and grant aid provided.

### **LEO Cavan's Vision**

*“To make Cavan one of the most enterprise friendly and supportive locations in Ireland, maximising the number of new start-up and expanding businesses across the county, maximising employment potential through creation of new sustainable jobs, retention of existing employment and contributing to the development of a vibrant local economy”*

### **Role of LEO Cavan include:**

- promoting the general economic development of county;
- creating and raising local enterprise awareness and developing an enterprise culture and community-based enterprise activity;
- providing a single/first point of contact service to the business community;
- influencing the allocation of resources for micro-enterprise from EU, private and public funding sources;
- providing support to private sector and community initiatives so as to secure the establishment and/or expansion of commercially viable businesses
- providing comprehensive pre and post start-up support to new and expanding micro-enterprises;
- providing business advice, counselling and mentoring;
- delivering management and capability development programmes aimed at improving owner-manager skills to assist the survival and growth of micro-businesses; and
- Financial interventions to support business development.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, the Community & Enterprise Dept has completed a Programme Logic Model (PLM) for the **Economic Development Programme** - LEO Cavan. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> <li>• Maximise Business potential in the county</li> <li>• Collaborate with Enterprise Ireland</li> <li>• Provide First Stop Shop</li> <li>• Make it easier to do business in Cavan</li> <li>• Promote Best Practice Enterprise Culture</li> <li>• Generate an environment for Start-Ups Businesses</li> <li>• Generate a supportive environment for start ups</li> </ul>	<ul style="list-style-type: none"> <li>• LEO Capital Grant Funding €662,409.30</li> <li>• Economic Development Supports €259,177.84.</li> <li>• Admin &amp; Service Supports funding Cavan County Council €98,762.80</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of entrepreneurship</li> <li>• Provision of business information &amp; advice</li> <li>• Business skills training</li> <li>• Mentoring Services</li> <li>• Financial Assistance/ grants</li> <li>• Management Development Programmes</li> <li>• Cross border &amp; all Island Trade Programmes</li> <li>• Networking Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Development of the County Enterprise Development Plan 2016</li> <li>• No of Jobs associated with funding 107</li> <li>• Value of Grants Approved €322,500.00 linked to 17 Projects</li> <li>• Value of grants paid €215,046 linked to 15 projects.</li> <li>• 38 Training Courses including Start Your Own Business Programmes to 917 participants</li> <li>• 82 clients received one to one mentioning</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of enterprise and self-employment as a viable career option among the wider population</li> <li>• Greater awareness among potential entrepreneurs of the types of supports available</li> <li>• Entrepreneurs, owners and managers equipped with the knowledge to plan, grow and sustain productivity, innovation and competitiveness in their businesses</li> <li>• Entrepreneurs equipped with the knowledge to plan, grow and sustain productivity, innovation and improve competitiveness</li> <li>• Increase in number of new enterprises establishing and expansions of existing businesses leading to growth in employment across the county</li> <li>• Enhanced survival and growth of businesses resulting from higher quality investment in business</li> </ul>

## Description of Programme Logic Model

**Objectives:** The objectives of Cavan County Council's Economic Development Programme (LEO Cavan) are to promote entrepreneurship, foster business starts-ups and develop existing micro / small businesses to drive job creation and to provide accessible high quality supports for new business ideas.

**Inputs:** The key resources of the Economic Development Programme for 2016: Direct Inputs by Cavan County Council include annual contributions to Cavan Innovation & Technology Training Centre, the Irish Central Area Border Network, statutory contribution to the Border Regional Authority (Northern & Western Areas), salary admin support services to LEO, Economic Forum support costs, Service Supports Costs amounted & Promotion of the County Expenditure. In relation to the operations of LEO the Capital Funding and Refundable Aid totalling €662,409.30 that was provided by the Department of Jobs, Enterprise and Innovation through Enterprise Ireland.

**Activities:** There were a variety of strategic activities carried out under this project, many of which are very dependent on the level of financial support received from Enterprise Ireland. The key business support services of LEO Cavan are linked to the business grant aid schemes including priming grants, feasibility study grants, business expansion grants, management of the refundable grant aid scheme and the Trading Online Voucher Scheme. They also rolled out enterprise training, mentoring, up-skilling and business networking, Irelands Best Young Entrepreneur (IBYEO Awards and the Secondary Student Enterprise Awards. Grants applications are assessed and approved in line with agreed procedures under the watch of EVAC LEO's Evaluation Approval's Committee with quarterly returns and grant drawdowns submitted to EI Enterprise Ireland

LEO Cavan act as an information source and referral point for all state enterprise agencies, and government initiatives, providing information on all aspects of business, including enterprise incentives, business structures, taxation, regulatory obligations, workspace, market research and planning etc. LEO also spearheads various initiatives to encourage and promote enterprise across the county working with business groups, community groups, schools, as well as various other local and national bodies.

**Outputs:** The key outputs of LEO Cavan for 2016 were:

- Development of the County Economic Development Plan 2016
- No of Jobs associated with funding 107
- Value of Grants Approved €322,500.00 linked to 17 Projects. (1 feasibility, 7 priming & 9 business expansion)
- Value of grants paid €215,046 linked to 15 projects. (1 feasibility, 9 priming & 5 business expansion)
- 38 Training Courses including Start Your Own Business Programmes to 917 participants
- 82 clients received one to one mentoring (Approx 55 assignments provided to micro /small businesses)

- Assistance to 11 businesses re e commerce websites with the assistance of Trading Online Vouchers (14 approved & 11 claimed)
- Rolled out the annual Student Enterprise Awards in secondary Schools
- Co-ordinated training and networking of the Business Women's Club (70 active members)
- Promotion and roll out of the Irelands Best Young Entrepreneur (IBYE) (43 Applicants in 2016)
- Roll out of the sectoral support initiative such as the food Academy, in particular with Bord Bia
- Assisted with the Regional Action plan for the Border Region
- Local Enterprise Promotion Campaigns (Radio, local Papers & Social Media)

**Outcomes:** As per the Performance Indicators Returns for 2016 the no of jobs created with the assistance from the Local Enterprise Office during the period 01/01/2016 to 31/12/2016 was 107. Many of proposed outcomes of LEO are quite subjective and therefore difficult to monitor or quantify. An annual appraisal review of the services provided by LEO Cavan was undertaken by the Executive and reported to the main stakeholder Enterprise Ireland. The details of this review indicate that LEO Cavan achieved the key targets as outlined in the Annual Economic Development Plan for 2016. The main outcomes include:

- Promotion of enterprise and self-employment as a viable career option among the wider population
- Greater awareness among potential entrepreneurs of the types of supports available
- Entrepreneurs, owners and managers equipped with the knowledge to plan, grow and sustain productivity, innovation and competitiveness in their businesses
- Entrepreneurs equipped with the knowledge to plan, grow and sustain productivity, innovation and improve competitiveness
- Increase in number of new enterprises establishing and expansions of existing businesses leading to growth in employment across the county
- Enhanced survival and growth of businesses resulting from higher quality investment in business

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

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The following section tracks the **LEO Cavan** from inception to conclusion in terms of major project/programme milestones



26 <sup>th</sup> March 2014	3 Year Service Agreement (SLA) Between Enterprise Ireland and Cavan Local Authority signed by the Chief Executive. Re Local Enterprise Office (LEO/ Micro Enterprise Support Scheme, to be administered by Enterprise Ireland.
14 <sup>th</sup> April 2014	LEO came into force. The abolition of County Enterprise Boards and establishment of the new LEO structure in Local Authorities under the Local Government Reform Act 2014
Early 2015 & 2016	Local LEO Cavan Local Enterprise Development Plans 2015 & 2016
25 <sup>th</sup> January 2016	Trading Online Vouchers allocation Notification 2016
4 <sup>th</sup> March 2016	LEO Cavan Annual Capital Budget Allocation. Letter from
27 <sup>th</sup> May 2016	Enterprise Ireland re the Measure 1 Feasibility, Priming and
29 <sup>th</sup> June 2016	Business Grant Allocation €189,730.00 & Measure 2 Funding
27 <sup>th</sup> July 2016	toward Enterprise Education, Enterprise Promotion,
28 <sup>th</sup> Sept 2016	Mentoring , Consultancy, Training and Management Development Programmes €176,197.00 No Pay Admin Support Funding €90,885.00
April/July /Sept Jan	Quarterly Drawdown Requests
Dec 2015 & Dec 2016	Procurement of LEO Trainers/ Mentors
Dec 2016	IBYE – (Ireland's Best Young Entrepreneur) Cavan County Final
2017	3 year Strategic Local Enterprise Development Plan 2017/2020
April 2017	Review of the LEO Service Level Agreement

### Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the **Economic Development & Promotion / LEO Revenue Programme**.

<b>Project/Programme Key Documents</b>		
<b>Key Doc</b>	<b>Title</b>	<b>Details</b>
<b>1</b>	3 Year Service Level Agreement between Enterprise Ireland and the Local Authorities - April 2014	Local Enterprise Office (LEO) / Micro Enterprise Support Scheme administered by Enterprise Ireland Agreement
<b>2</b>	Local Enterprise Offices Procedure Manual (Version 1 June 2016)	Outlines the Standard Operation Procedures and Best Practice in the delivery of LEO supports
<b>3</b>	LEO Cavan Local Enterprise Development Plans 2015 & 2016	This is the local plan aimed at boosting enterprise and maximising entrepreneurship and job creation in County Cavan.
<b>4</b>	Enterprise Ireland Annual Exchequer Funding Allocation Notification & Acceptance letters	Official notification and acceptance letter of the annual funding allocations to LEO Cavan by Enterprise Ireland (EI) in 2016
<b>5</b>	LEO Cavan Annual Budget 2016 & Notional Cash flow Reports 2016	Particulars of the proposed annual budgets of LEO Cavan based on the EI Grant Allocations and local authority assistance
<b>6</b>	Annual (KPI) Performance Indicators	Particulars LEO targets and level of performance achieved for 2016
<b>7</b>	LEO Cavan Risk Register 2016	Management Report on the Potential Business Risks of LEO Cavan
<b>8</b>	Quarterly LEO Funding Drawdown Reports 2016 together with Grant Information Management Systems (GIMS) Reports & Agresso Financial Reports	Relevant Backup Reports for Recoupment /Drawdown of Grants from the Dept
<b>9</b>	Supporting Documentation of Grant and the Trading Online Voucher Approvals	Grant System Controls
<b>10</b>	Recoverable Grant Aid Debtors Reports	Register of the 30% Recoverable Grants Debtors and details the recoupment procedures applied
<b>11</b>	Procurement/Tender Documents for LEO Trainers & Mentors 2014 /2016	LEO Cavan's Procurement Procedure for awarding Training & Mentoring Contracts
<b>12</b>	Enterprise Plane for 2017-2020	Developed & Completed by LEO Cavan

## Particulars of Sections / Depts Responsible for Reviewing the Key Documents

### Key Document 1: 3 Year Framework Service Level Agreement

Divisional Manager of Micro & Small Business Enterprise Ireland & Chief Executive of Cavan County Council in consultation with the

Strategic Policy Committee of CCC / SMT of Cavan County Council and the Executive of LEO Cavan

### Key Document 2: Local Enterprise Procedure Manual

Centre of Excellence Enterprise Ireland (LEO Support, Policy and Co-ordination) & LEO Working Group

### Key Document 3: LEO Cavan Local Enterprise Development Plans

Executive of LEO Cavan / Assistant Head & Head of LEO & Community & Enterprise CCC (Economic Development Section) LCDC

### Key Documents 4 – 11: Service Documents & Management Reports LEO Executive of LEO Cavan

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## Section B - Step 4: Data Audit

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

Data Required	Use	Availability
Copy of the 3 Year Service level Agreement of LEO Cavan for 2014	To assess the level of compliance with the Standard Operation Controls, Procedures & Regulation	Yes
Copy of the LEO Cavan's Local Enterprise Development Plan for 2016	To determine the key objectives, Inputs, activities, targets/outputs and the ultimate outcomes.	Yes
Copy of the Annual KPI's of LEO Cavan for 2016	Assess the level of performance achieved in line key Objectives & Targets Set	Under Review
LEO Cavan's Risk Register	Assess the Risk Management Procedures that are linked to the strategic objectives of LEO	Ongoing
Particulars of LEO Cavan Budgets & Annual Funding Allocations form EI	To determine if the annual budgets are efficiently & effectively managed.	Yes
Agresso Financial Reports & Particulars of LEO Cavan's GIMS (Grants Information System)	Assess the number applicants, type and value of grant assistance processed in 2016	Yes
Quarterly Grant Drawdown Returns for 2016	Verification of the quarterly Dept grants drawdowns against the payment details recorded on the GIMS & Agresso Information Systems	Yes

Supporting Documentation for Approved / Processed Grant Applications & TOV for 2016 (Audit Sample)	Determine whether best practice applies to the Grants Approval Process that ensure maximum benefit are achieved by the relevant stakeholders	Yes
Copy of the Trainer & Mentor Tender/ Procurement Documents	Examine and determine compliance with procurement regulations and to ensure the (VMP) Value for Money Principal applies.	Yes Mentors list to be updated
Schedule of Available Funds/Approval Capacity of LEO Cavan for 2016	Assess the effective management of available funds in line annual grant allocations and Funds from Refundable Grant Aid	Yes held by the Executive of LEO
Annual Report on Training & Mentoring Services of LEO Cavan for 2016	Assess the level of training/ mentoring supports provided by LEO Cavan	Yes

### Data Availability and Proposed Next Steps

This in-depth review found that all data linked to the operations of LEO Cavan was available for inspection. The key documents surrounding the operations of LEO are the (SLA) 3 Year Service Level Agreement between Cavan County Council & EI, LEO Cavan's Local Economic Development Plan for 2016, Certifications of Annual Budgets and funding allocations, Annual KPI returns and appraisal review, grant drawdown information, EVAC minutes etc, Grant Information Management System and Agresso Financial Reports and Procurement Records.

The next set is the County Enterprise Plan for 2017-2020 which LEO Cavan developed in early 2017.

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### Section B - Step 5: Key Evaluation Questions

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The following section looks at the key evaluation questions for **LEO Cavan** 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)**

On completion of this In-Depth Review Internal Audit can provide reasonable assurance that the Revenue Programme of LEO Cavan as operated by Cavan County Council is effectively managed and adheres to the standards set out in the Public Spending Code. LEO Cavan operates within the confines of the Service Level Agreement between Enterprise Ireland and Cavan County Council dated 24<sup>th</sup> March 2014. Rigorous grant and financial control procedures are applied by the Executive of LEO that appear to be in accordance the relevant regulations and guidelines set out under the SLA. Annual EI funding allocations, grant commitments and drawdown's are closely monitored by LEO Cavan and Enterprise Ireland. LEO Cavan's aim is to achieve maximum outcomes from the business services and grant aid provided which is strategically outlined in the Annual Local Enterprise Plan.

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

Yes all relevant information is available to facilitate a full evaluation of the programme at a later date. It must be noted that much of the outcomes achieved are extremely difficult to measure or quantify given the subjective nature of the business supports; training and mentoring services provided by LEO Cavan.

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

Internal Audit is satisfied that the activities of LEO Cavan appear to comply with Dept regulations and guidelines. On this basis it is recommended that they continue to apply all relevant controls and procedures that support/ensure maximum enterprise outputs/outcomes for the county.

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**Section: In-Depth Check Summary**

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The following section presents a summary of the findings of this In-Depth Check

**Summary of In-Depth Check- Economic Development & Promotion/LEO Cavan Revenue Programme**

Under section 4 of the Quality Assurance provisions contained in the Public Spending Code Cavan County Council is required to carry out an in-depth review on a minimum of 1% of the total value of all Revenue Projects on the PSC inventory list, averaged over a three year period. In line with this requirement an in-depth review of the Council's Economic Development & Promotion Programme - Revenue Code D009 was undertaken. The current expenditure value of this programme for 2016 was **€1,020,349.94** in 2016 which represents approximately **2%** of the total value of Cavan County Council PSC revenue projects of **€52,132,857.00**.

The prime aim of this programme is to strengthen and support the local enterprise environment and business culture of County Cavan. The key activities of the programme are closely linked operations and service provided by LEO Cavan which Cavan County Council has a statutory obligation to provide under the Local Government Reform Act 2014. The current income & expenditure of this revenue programme for 2016 was **€662,409.30**. The continued existence of this revenue programme is very much dependent of the grant assistance allocated by EI and the local support of Cavan County Council.

The objectives, activities including the proposed output/targets and outcome of LEO Cavan are clearly defined in their Annual Enterprise Development Plan which is reviewed by the relevant stakeholders with an assessment of the key KPIs undertaken by the Executive and Enterprise Ireland.

All activities including the relevant business grant schemes of LEO Cavan are operated in line with the protocols outlined in the 3 Year Service Level Agreement between Cavan County Council & Enterprise Ireland. Dept funding allocations are strategically managed to ensure maximum outputs and outcomes are achieved and the associated services risks of LEO Cavan are identified and managed accordingly.

Based on findings of the in-depth review of the Economic Development Programme and services /activities of LEO Internal Audit is of the opinion that Cavan County Council appears to be broadly/substantially compliant with the relevant requirements of the Public Spending Code.

# **Quality Assurance – In Depth Check**

**Capital Project**

**Proposed N3 Virginia to Maghera Roads Realignment Scheme**

## Quality Assurance – In Depth Check

### Proposed N3 Virginia to Maghera Roads Realignment Scheme / Capital Project

#### Section A: Introduction

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

Programme or Project Information	
<b>Name</b>	<b>N3 Virginia to Maghera Realignment Minor Scheme TII/ NRA Ref CN/16/13410</b>
<b>Detail</b>	Proposed capital Investment to improve road safety thereby reducing the number of collisions on the N3 Road between the town of Virginia and Maghera Cross Roads
<b>Responsible Body</b>	Roads Design Department, Cavan County Council and Transport Infrastructure Ireland
<b>Current Status</b>	TII (NRA) Dept Sanction sought to award the Mini Call Competition under the Technical Consultancy Services Framework- Lot 1b This is in regard to <b>Phase 1</b> of the project to Prepare the Scheme Concept & feasibility Study, Project Brief, Project Execution Plan, Health & Safety Plan. Also to undertake <b>Phase 2</b> of the project re Publicity Requirements, Constraints Study & Route Selection. Technical Consultants were appointed in Feb 2017
<b>Start Date</b>	Initial funding application made in 2014 Feb 2017 - Commence the initial appraisal of the proposed capital project and undertake a Scheme Concept, Feasibility and Route Selection Study
<b>End Date</b>	Currently at Scheme Concept & Feasibility, and Route Selection phases. It will only progress pending the outcome of the initial technical consultancy report and is subject to TII approval with Key Milestone dates to be developed.
<b>Overall Cost</b>	The proposed route has not yet been selected, however a No. of route options have Initial feasibility costings with an Estimated Lifetime Cost of approximately <b>€20,300,00.00</b> subject to the outcome of the route selection process.

## **Project Description: Proposed N3 Virginia to Maghera Roads Realignment Scheme**

The proposed road realignment capital project is under consideration by Cavan County Council and covers a road distance of approx 4km which is situated in South Cavan on the N3 national primary route between the town of Virginia and Maghera Cross Roads.

This section of the N3 has a very poor vertical and horizontal alignment with numerous commercial and domestic entrances and a significant collision history. A section of this scheme was also identified by TII as a HD15 High Collision location in 2014

Back in 2003, the NRA and CCC proposed a bypass of Virginia. This proposal was reassessed due to capacity concerns. The N3 North of Kells (Edenburt) to Cavan dual carriageway scheme was subsequently developed to route selection stage before it was suspended a number of years ago. Both of these bypass options would have bypassed this section of the N3.

After both the N3 Virginia Bypass and N3 Edenburt to Cavan Bypass Major Schemes were suspended by TII, CCC identified the need to address the significant accident history along this section of the N3 by way of an improvement scheme.

The **main objective** of this realignment scheme is to improve road safety and ultimately reduce the number of collisions on this section of the N3.

On 23rd Sept 16 Cavan County Council made an application to TII requesting approval to seek a Consultants Proposal Plan for the Proposed N3 Virginia to Maghera Roads Realignment Scheme under the Technical Consultancy Services Framework- Lot 1b i.e. a request was made by CCC to run a mini competition for the procurement of technical consultancy services.

On 30<sup>th</sup> Set 2016 the TII subsequently granted approval for the procurement of a consultant which they subsequently put to tender in Oct 2016.

TII authorisation to award the Technical Consultancy Services Contract was provided on 23rd Jan 2017. The consultant that provided the MEAT (Most Economical Advantages Tender) has since been appointed to undertake a study of the Scheme Concept, Feasibility and Route Selection Stages.

Pending the outcome of the initial feasibility study the scheme could either be:

1. Online upgrade and improvement scheme - Widen the existing N3 carriageway
2. Off line improvement scheme - provide a new alignment and diverting away from the existing road.

It is envisaged that the Scheme Concept and Feasibility, and Route Selection stages will be completed by end of October 2017.

In order for the scheme to progress any further [e.g. detailed design, statutory processes such as Planning Permission, CPO, construction etc] a no. of approvals will be required from the TII. The future of the scheme is very dependent on TII approval/funding with milestone dates to be developed accordingly. The estimated lifetime cost of the proposed Capital Project **€20,300,000.00**.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, the **Roads and Transportation Department** has completed a Programme Logic Model (PLM) on the **Proposed N3 Virginia to Maghera Roads Realignment Scheme**. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> <li>• Save Lives</li> <li>• Reduce the no of critical injuries caused by accidents on this section of the N3</li> <li>• Improve road safety and ultimately reduce the number of collisions on this section of the N3.</li> <li>• Address the very poor vertical and horizontal alignment of the N3 Road</li> </ul>	<ul style="list-style-type: none"> <li>• NRA Funding re Transport Infrastructure Ireland (Approx €20,300,000.00)</li> <li>• Cavan County Council's staff and technical resources.</li> <li>• Buy-in of community and landowners in the locality of this section of the N3</li> <li>• Statutory Consultants and Stakeholders.</li> <li>• Steering and Management of the Project by TII &amp; Council.</li> <li>• Specialist Engineering Consultancy Services, including Consultancy Reports &amp; findings</li> </ul>	<ul style="list-style-type: none"> <li>• Preliminary appraisal of the proposed Project.</li> <li>• Clearly define the need and objective of project.</li> <li>• Seek relevant Dept (TII) approval.</li> <li>• Set Key project Milestone Dates</li> <li>• Procurement of the Technical Consultants</li> <li>• Undertake a Multi Criteria analysis.</li> <li>• <b>Phase 1</b> Scheme Concept &amp; feasibility Study.</li> <li>• <b>Phase 2</b> Identify feasible Options / Route Selection, Risk assessment &amp; implementation issues, drafting of the business case</li> <li>• Review all relevant constraints, total costs including required land acquisitions</li> <li>• Progression beyond Phase 2 to be assessed by TII at the end of Phase 2.</li> </ul>	<ul style="list-style-type: none"> <li>• Road Safety Standard of N3 Road enhanced.</li> <li>• Safer Driving Conditions for N3 Road Users.</li> </ul>	<ul style="list-style-type: none"> <li>• Overall number of collisions / accidents / critical injuries on this section of the N3 reduced.</li> <li>• Risk of accidents effectively controlled</li> </ul>

### Description of Programme Logic Model

**Objectives:** The primary objective of this scheme is to improve road safety thereby reducing the number of collisions on this section of the N3. The Initial objective is to determine the Feasibility of the Scheme and to develop a Preferred Route.

Further objectives are to develop the scheme through Detailed Design, Statutory Processes, Construction and handover, all subject to TII approval and funding.

**Inputs:** Initial Inputs - Funding of Technical Consultancy Services and associated approvals by the TII. Local Authority staff resources and expertise, buy-in from the public and land owners in the locality of the project area.

**Activities:** Appointment of Consultants to progress the scheme through Scheme Concept and Feasibility, and Route Selection. Appointment of Traffic Count Specialists to determine traffic volumes, speeds patterns etc. Public Consultation.

**Outputs:** The main output will be to provide an improved road alignment with a significantly reduced accident history on this section of road. Initial Output –Provide the Scheme Concept and Feasibility Reporting and Selection of a Preferred Route.

**Outcomes:** The envisaged outcomes will be to provide a section of road with an improved alignment that is safer for all road users. Ultimately the no of fatalities and serious injuries caused by road accident along this straight of the N3 will be reduced substantially.

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

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The following section tracks the **Proposed N3 Virginia to Maghera Roads Realignment Scheme** from inception to conclusion in terms of major project/programme milestones



<b>Dates</b>	
Mar 2014	Initial Proposed Project Application to Transport Infrastructure Ireland (NRA) in 2014.
6th Nov 2015	TII/NRA Framework Agreement for Technical Consultancy Services Framework with Local Authority & the National Roads Authority acting as Client Lot 1B- Technical Consultancy Services Schemes with an estimated construction value of greater than €3m – PMG 6 <sup>th</sup> Nov 2015.
Sept 2016	Client Project Manager appointed – Roads Design Section Cavan County Council. As recommended by PMG (Project Management Guidelines)
23rd Sept 2016	Cavan County Council requested approval to seek a Consultants Proposal Plan for the Proposed N3 Virginia to Maghera Roads Realignment Scheme under the Technical Consultancy Services Framework- Lot 1b FORM A-B PSG- FRW- 0019 Version 01 submitted to Dept.
30th Sept 2016	Approval Notification Ref FRA-TCS-LT1b-0007 received from Transport Infrastructure Ireland (TII) / NRA to proceed with the Mini Call Competition re the procurement of the Technical Consultancy Services for the provision of a Project Proposal Plan (Phases 1 & 2).
5 <sup>th</sup> Dec 2016	Tendering /Mini Call Competition advertised for the consultancy Services as per the TCS framework- Lot 1b
20 <sup>th</sup> Dec 2016	Receipt of Mini Call-Off Consultancy Tender Submissions
9 <sup>th</sup> Jan 2017	Evaluation of Tender Submissions for the Provision of Consultancy Services for Phase 1 & 2 of the Proposed N3 Virginia to Maghera Roads Realignment Scheme.
13 <sup>th</sup> Jan 2017	Submission of the Request Form C-D ref: PSG FRW-0023 to the Dept by Cavan County Council seeking approval to award /Call-Off the Consultancy Contract to the Successful Applicant.
23 <sup>rd</sup> Jan 2017	TII / NRA Dept Approval Confirmation received to award the Mini Call-OFF Competition for provision of consultancy Services Ref 17-003.
26 <sup>th</sup> Jan 2017	Letter of Intent & Unsuccessful Notification
27th Feb 2017	Contract Award - Technical Consultancy Services.
<b>Future Milestones</b>	Milestones dates to be set pending the outcome of Phases 1 & 2 of the Proposed Project.

## Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the **Proposed N3 Virginia to Maghera Roads Realignment Scheme**

<b>Project/Programme Key Documents</b>		
<b>Key Doc</b>	<b>Title</b>	<b>Details</b>
<b>1</b>	Copy of the initial submission to the Dept on the Proposed Realignment Scheme re the Virginia to Maghera Section of the N3	Proposal Outline together with maps submitted to the Dept by Cavan County Council on 11 <sup>th</sup> March 2014,
<b>2</b>	TII/NRA Framework Agreement for Technical Consultancy Services Framework with Local Authority & the National Roads Authority acting as Client Lot 1B- Technical Consultancy Services Schemes with an estimated construction value of greater than €3m – PMG 6 <sup>th</sup> Nov 2015	This is a National Framework was developed by the NRA acting as the Client on behalf the Local Authorities in relation to the provision /procurement of Technical Consultancy Services with an estimated construction value of greater than €3m– PMG Phases 1 to 7 Phases 1 to the duration of the framework is 06/11/15 – 06/11/2017. There are 8 participants companies listed on the framework. Cavan County Council as a local authority body is entitled to but not obliged to avail of services under the framework. It outlines the relevant procedure for a call off / mini contract for these services.
<b>3</b>	Request Approval to seek a Consultants Proposal Plan for the Proposed N3 Virginia to Maghera Roads Realignment Scheme (Form A-B) 23/09/2016	In order to progress the Virginia to Maghera Realignment Scheme through Scheme Concept & Feasibility Studies and Route Selection (Phases 1 & 2 of the Project Management Guidelines) Cavan County Council requested permission from Transportation Infrastructure Ireland to appoint a Consultant from the National Framework Agreement for Technical Consultancy Services on 23/092016
<b>4</b>	Copy of the Approval Notification Ref FRA-TCS-LT1b-0007 received from Transport Infrastructure Ireland (TII) / NRA to proceed with a Mini Call Competition re the procurement of the Technical Consultancy Services for the provision of a Project Proposal Plan (Phases 1 & 2)	TII approval was awarded on 30 <sup>th</sup> Sept 2016

5	Call-Off Contract Instructions to tenderers N3 Virginia to Maghera realignment Project. Tender Invitation and information issued by Cavan County Council. Issued 5 <sup>th</sup> Dec 2016 Technical Consultancy Services Procurement Documentation/ Tender Specification & Award Criteria	This document provides instructions to Tenderers for the purpose of providing information to parties tendering for the Technical Consultancy Services. It includes details on the description of Service Requirements, completion and submission of tenders, tender and schedule, information and communication, the evaluation process, the proposed contract, general provisions, steps following tender assessments. This was issued to the 8 Consultants listed on the Framework on 5 <sup>th</sup> Dec 2016 and the deadline for receipt of tenders: was 4pm on 20 <sup>th</sup> Dec 2016.
6	Tender Bulletin No 1 on the proposed N3 Virginia to Maghera realignment Scheme	Issued to all Consultant outlining clarification on Tender Invitation queries received by Cavan County Council- 15/12/2016
7	Copy of Tender Submissions and Quotations Received	4 tender submissions were received by Cavan Country Council and opened on the 21/12/2016.
8	Tender Evaluation /Appraisal Report- 9 <sup>th</sup> Jan 2017	The award criteria that was used to evaluate which Tender was the (MEAT) Most Economical Advantageous Tender was based on Price Assessment 40 Marks, Quality Assessments 60 Marks split into the proposed team and methodology for delivering the call-off contract services. The evaluation Report recommended the appointment of successful MEAT tender submission.
9	Request for Approval from Transport Infrastructure Ireland Dept to award the Call Off Consultancy Services Contract Form (C) Jan 2017	Forwarded to Dept for Approval 13 <sup>th</sup> Jan 2017
10	Notification received from TII regarding Approval to award the Call-Off Contract	TII Approval for Mini-Call Award received by Cavan County Council 23/01/2017
11	Letter of Intent to Award the Consultancy Contract to the successful company 3 Unsuccessful Contract Notices	Letter of intent issued by Council 26 <sup>th</sup> Jan 2017  Unsuccessful letters 26 <sup>th</sup> January 2017
12	Letter of Acceptance issued to the Successful Consultant	Letter of Acceptance issued by the Council on 27 <sup>th</sup> February 2017

## **Particulars of Sections / Depts Responsible for Reviewing the Key Documents**

**Key Document 1:** Copy of the initial submission to the Dept on the Proposed Realignment Scheme re the Virginia to Maghera Section of the N3. This was developed & submitted by the Roads & Transportation Dept of Cavan County Council and reviewed by Transport Infrastructure Ireland.

**Key Document 2:** TII/NRA Framework Agreement for Technical Consultancy Services Framework with Local Authority & the National Roads Authority acting as Client. The Dept responsible for developing and reviewing the framework is Transport Infrastructure Ireland.

**Key Document 3:** Request Approval to seek a Consultants Proposal Plan. Completed & submitted by the Roads & Transportation Dept of Cavan County Council.

**Key Documents 4:** Approval Notification Ref FRA-TCS-LT1b-0007 received from Transport Infrastructure Ireland (TII) / NRA to proceed with a Mini Call Competition. TII were responsible for issuing same.

**Key Document 5:** Call-Off Contract Instructions to Tenderers for the proposed N3 Virginia to Maghera Realignment Scheme. The Dept responsible for reviewing this Call-Off Instructions document is the Roads & Transportation Dept of Cavan County Council.

**Key Document 6:** Tender Bulletin No 1 dated 15/12/2016 issued by Roads & Transportation Dept of Cavan County Council.

**Key Document 7:** Tender Submissions of 4 Consultants. The Roads & Transportation Dept of Cavan County Council was responsible for reviewing each tender submission.

**Key Document 8:** Call off Consultancy Contract Tender Evaluation Assessment Report. The Roads & Transportation Dept of Cavan County Council was responsible for evaluating the relevant submissions and issuing this report.

**Key Document 9:** Request for Approval from Transport Infrastructure Ireland Dept to award the Mini Call-Off Consultancy Services Contract. The Roads & Transportation Dept of Cavan County Council was responsible for completing and submitting this request to TII.

**Key Document 10:** TII Approval to award the Mini Call-Off Consultancy Contract. Transport Infrastructure Ireland issued this document.

**Key Document 11:** Letter of Intent to the Successful Consultant & Unsuccessful Tender Notices issued. Roads & Transportation Dept of Cavan County Council was responsible for same.

**Key Document 12:** Letter of Acceptance issued to the Successful Consultant by the Roads & Transportation Dept of Cavan County Council.

## Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the **Proposed N3 Virginia to Maghera Roads Realignment Scheme**. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Copy of the initial submission to the Dept on the Proposed Realignment Scheme re the Virginia to Maghera Section of the N3	Verification of original project Application to the Dept	Yes
Copy of Cavan County Council's Approval Request submitted to TII to seek a Consultants Proposal Plan.	Verification that Dept approval was sought to seek Scheme Concept and Feasibility Study Consultant Reports	Yes
Approval Notification Ref FRA-TCS-LT1b-0007 received from Transport Infrastructure Ireland (TII) / NRA to proceed with a Mini Call-Off Competition.	Verification that approval to proceed with the Call-Off Competition was received	Yes
Tender Invitation and information issued by Cavan county Council. Call-Off Contract Instructions to tenderers N3 Virginia to Maghera realignment Project. Tender Bulletin No 1 on the proposed N3 Virginia to Maghera realignment Scheme. Copy of Tender Submissions and Quotations Received	Review of the Tendering Process & the relevant procurement procedures applied to ensure that they in line with the National Technical Consultancy Framework.	Yes
Tender Evaluation /Appraisal Report- 9 <sup>th</sup> Jan 2017	Examination of the Evaluation of Tender Submissions to ensure that the Contract was awarded to the (MEAT)	Yes
Request for approval to award the Call-Off Contract and the notification received from TII granting same	Verification that approval to award the Call-Off Contract based on MEAT	Yes
Letter of Intent to Award the Consultancy Contract to the successful company 3 Unsuccessful Contract Notices	Verification that best procurement practice was applied	Yes
Letter of Acceptance issued to the Successful Consultant	Confirmation that the Technical Consultancy Contract was awarded in regard to commencement of Phase 1 & 2 of the Proposed Realignment of the N3 Virginia to Maghera Scheme	Yes

## **Data Availability and Proposed Next Steps**

This roads capital project is currently under consideration and therefore is only at initial appraisal stages of the proposal. The PSC in-depth review found that all relevant data was available to substantiate the various decisions taken to date and dept approval was sought to progress the project to the Technical Consultancy Phase of the scheme. It is envisaged that the Roads & Transport Dept of the Council will set future key milestone dates pending the outcome of the Scheme Concept & Feasibility Study and Route Selection Reports.

Internal Audit is satisfied that the documentation outlined in the above table was provided on request from the Roads & Transportation Dept of the Council. Assurance is provided that as the proposed realigned of the N3 Virginia to Maghera roads moves into the design and implementation stages the necessary supporting documentation will be retained on file for audit trail purposes.

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### ***Section B - Step 5: Key Evaluation Questions***

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The following section looks at the key evaluation questions for **Proposed N3 Virginia to Maghera Roads Realignment Scheme** 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)**

Based on the findings of the in-depth review the initial appraisal stage of the proposed realignment of the N3 Virginia to Maghera section of road appears to comply with the standards set out in the Public Spending Code. Clear project objectives exist with the necessary Transport Infrastructure Ireland (TII) approval sought to undertake the technical consultancy project work for a preferred/recommended route option. Procurement of the consultants was in accordance with National & EU Regulation / best practice and awarded to the MEAT Most Economical Advantageous Tender.

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

Yes all necessary data and information is available to substantiate key decisions taken during the initial appraisal of the proposed realignment of the N3 Virginia to Maghera Road. As the project progresses the related data will be retained to facilitate a full evaluation at a later date.

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

As this project is under consideration and at initial appraisal stages of the proposal no major issues were identified. In line with the Public Spending Code Guidelines it is recommended the future key milestone dates be established as the project progresses and on completion same a post project evaluation should be undertaken to assess the strength of the overall outputs and outcomes achieved.

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## Section: In-Depth Check Summary

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The following section presents a summary of the findings of this In-Depth Check on the **Proposed N3 Virginia to Maghera Roads Realignment Scheme**.

**Summary of In-Depth Check** Under section 4 of the Quality Assurance provisions contained in the Public Spending Code Cavan County Council is required to carry out an in-depth review on a minimum of 5% of the total value of all Capital Projects on the PSC inventory list, averaged over a three year period. In line with this requirement an in-depth review was undertaken of the proposed realignment of a Virginia to Maghera section of the N3 which is under consideration by the Roads & Infrastructure Dept of the Council. On drafting the inventory list for 2016 the estimated lifetime value of this proposed capital project is **€20,300,000.00** which represents approximately **14%** of the total value of Cavan County Council's PSC Capital Projects of **€148,317,951.00**.

The prime aim of the road realignment scheme which is under consideration is to improve road safety thereby reducing the number of collisions on this section of the N3. The area road in question is known to have very poor vertical and horizontal alignment with numerous commercial and domestic entrances and has significant collision history. The project is currently at the initial appraisal stages with the necessary Transport Infrastructure Ireland (TII) Dept approval sought to carry out a Mini Call-OFF competition for the appointment of Technical Consultants as set out in the relevant Framework Agreement-Lot 1b. On the 27th Feb 2017 the Council awarded the technical consultancy contract to the most economical advantageous tender (MEAT) to undertake phases 1 & 2 of the project appraisal works that included the preparation of the Scheme Concept & Feasibility Study, Project Brief, Project Execution Plan, Health & Safety Plans, Publicity Requirements, Constraints Study & Route Selection Reports. This appraisal work is ongoing at present with a completion date set for Oct 2017. The future of this scheme very much depends on the outcome of the consultancy reports and ultimately TII funding approval. Further milestone dates to be developed accordingly.

As required by the Public Spending Code and the Project Management Guidelines the initial project appraisal works appear to have been strategically managed to date with the view of achieving the prime objective of the scheme and maximising the proposed outputs and outcomes.

Based on findings of the in-depth review on the proposed realignment of a Virginia to Maghera section of the N3 Capital Project the audit opinion is that Cavan County Council appears to be broadly/substantially compliant with the relevant requirements of the Public Spending Code.