

**Public Spending Code  
Quality Assurance Report for 2014  
Monaghan County Council**

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

**September 2015**

**Certificate**

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

Signature of Accounting Officer:

Adge King  
Adge King  
Deputy Chief Executive  
Monaghan County Council

Date:

29/09/2015

## Introduction

Monaghan County Council has completed the Quality Assurance (QA) requirements as set out in the Public Spending Code. This report presents the results of each of the 5 Steps in the QA exercise and reports on compliance with the requirements of the Public Spending Code as established during this exercise.

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

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

1. Drawing up inventories of projects/programmes at the different stages of the Project Life Cycle that have a total Project Life Cost of €500k or more.
2. Publishing summary information on the organisation's website of all procurements in excess of €10m, related to projects in progress or completed in the year under review.
3. Completing the 7 checklists contained in the PSC.
4. Carrying out a more in-depth check on a small number of selected projects/programmes based on criteria established within the Public Spending Code.
5. Completing this short summary report for the National Oversight and Audit Commission (NOAC).

## STEP 1 – Project Inventory

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

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

The Project inventory, set out in the format described above, is included in Appendix A.

The Inventory contains 36 Projects under the three stages and comprise a total value of €97.9m. The following table provides an overview of the number of projects under each Project/Programme stage and under each of the categories/bands in each of these stages. It also provides an overview of the Project Costs under each category.

Monaghan County Council – Project Inventory

Project Numbers	Revenue Expenditure			Capital Expenditure			Totals
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	
Expenditure Being considered				2	1		3
Expenditure Being Incurred	24	1		4	4		33
Expenditure recently ended							-
<b>Totals</b>							<b>36</b>

Project Total Values	Revenue Expenditure			Capital Expenditure			Totals
	€0.5m - €5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m	
	€M	€M	€M	€M	€M	€M	€M
Expenditure Being considered				4.5	5.09		9.59
Expenditure Being Incurred	44.06	7.79		8.26	28.2		88.31
Expenditure recently ended							-
<b>Totals</b>							<b>97.9</b>

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

Information on all procurements in excess of €10m is published at:

<http://www.monaghan.ie/en/yourcouncil/publications/finance/>

For 2014 Monaghan Co Council has reported no projects in this category.

STEP 3 - Checklists

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

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

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

All checklists as outlined below have been completed and can be found in Appendix B of this document.

1. General obligations not specific to individual projects/programmes
2. Capital projects or Capital Grant schemes being considered
3. Current expenditure being considered
4. Capital Expenditure being incurred
5. Current Expenditure being incurred
6. Capital Expenditure Completed
7. Current expenditure Completed

#### Findings on Completion of Checklists

The QA exercise indicates a satisfactory level of compliance with the requirements of the Public Spending Code. No specific instances that would give rise to serious concern were identified in completing the exercise. It is recognised that there are some areas for improvement. Monaghan County Council will continue to ensure that relevant staff are aware of and understand their obligations in relation to the Public Spending Code, and of the annual reporting requirements. The Council will continue to monitor and report on compliance with the Code.

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

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

The Internal Audit Unit of Monaghan County Council was assigned the task of completing the In-depth check. For 2014 the Internal Auditor selected one project with a value of €8.8m, and examined the appraisal, planning, implementation and post-implemenation phases of the project. The auditor concluded that:

*"While the timeframe for carrying out this review was limited I feel the project documentation available provides satisfactory Assurance that there is compliance with the Public Spending Code".*

A formal report on the In-depth review has been completed and will be submitted to the Management Team within Monaghan County Council and the Audit Committee. The auditor made a two-part recommendation, as follows:

- Ensure relevant Staff are aware and understand their obligations in relation to the Public Spending Code.
- Ensure relevant staff are aware of the requirement on the Chief Executive to prepare a report for the National Oversight and Audit Commission (NOAC) in February each year, in respect of the previous year.

### Conclusion

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

- A Project Inventory has been prepared outlining the various projects/programmes – capital and revenue that were being considered, being incurred or recently completed by Monaghan County Council within the 2014 financial year.
- The relevant link in relation to publishing procurements over €10m has been placed on Monaghan County Council's website.
- The 7 checklists required to be completed under the terms of the Public Spending Code Quality Assurance requirement have been completed and provide reasonable assurance that there is satisfactory compliance with the Public Spending Code. While it is recognised that there are some areas for improvement, no serious concerns were raised as a result of the QA exercise.
- An in-depth review of a sample of the projects contained in the Project inventory has been completed and the internal auditor has reported receiving satisfactory assurance that there is compliance with the Public Spending Code. One Project was examined and one recommendation arose from the review. This recommendation related to the organisation ensuring that relevant staff are aware of, and understand, their obligations under the PSC, and are aware of the requirement to report annually under the Code.
- The final step of the QA exercise, as required under the Public Spending Code, is the compilation and publication of a summary report outlining the Quality Assurance Exercise undertaken by Monaghan Co Council. The contents of this report provide an overview on the QA exercise completed which has been certified by the Accounting Officer, Deputy Chief Executive.

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

**Monaghan County Council**  
**2014 Inventory of Projects and Programmes over €0.5m**

The following table 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

<b>Expenditure Being Considered</b>									
Project/ Programme Description	Revenue Expenditure			Capital Expenditure					
	€0.5m -€5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m			
<b>Projects of total value</b>									
<b>Housing Programme</b>									
Latlurcan Glen & Close – 16 Houses				2.60m					
<b>Roads Programme</b>									
MN 14 11807 N2 Derryilan-Tullyvin R/B Surfacing				1.90m					
<b>Water Services Programme</b>									
Repayment of HFA Water Services loans					5.09m				
<b>Expenditure Being Incurred</b>									
Project/ Programme Description	Revenue Expenditure			Capital Expenditure					
	€0.5m -€5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m			
<b>Projects of total value</b>									
<b>Housing Programme</b>									
Purchase of Housing Stock				3.00m					
Mc Curtain St. Housing,Development				1.68m					
A01 Maintenance/Improvement LA Housing	2.06m								
A07 RAS Programme	1.63m								
A08 Housing Loans Programme	0.78m								
A09 Housing Grants	1.47m								

Expenditure Being Incurred						
Project/ Programme Description	Revenue Expenditure			Capital Expenditure		
	€0.5m -€5m	€5m - €20m	Over €20m	€0.5m - €5m	€5m - €20m	Over €20m
Projects of total value						
<b>Roads Programme</b>						
MN11 7578 NP Monaghan to Emyvale Phase 2					5.5m	
MN11 8079 NP Monaghan to Emyvale Imp Phase 3					8.5m	
MN11 7885 NP Bends Mon-Emyvale Phase 4					5.4m	
MN11 7585 RSRM N12 Tamlet Nth Mon area				1.9m		
B01 NP Road Maintenance & Improvement	0.61m					
B03 Regional Roads – Maintenance & Improvement	4.11m					
B04 Local Road – Maintenance & Improvement		7.79m				
B05 Public Lighting	0.75m					
B11 Agency & Recoupable Services	2.10m					
<b>Water Services Programme</b>						
C01 Operation & Maintenance of Water Supply	2.25m					
C02 Operation & Maint. Of Waste Water Treatment	2.02m					
C05 Admin of Group & Private Water Installation	2.71m					
<b>Development Management</b>						
Clones Erne East Blackwater - INTERREG				1.68m		
D02 Development Management	1.08m					
D06 Community & Enterprise Function	2.92m					
D09 Economic Development & Promotion	1.41m					
D12 Agency & Recoupable Services	0.75m					
<b>Environmental Services Programme</b>						
E01 Operation Maintenance & Aftercare of Landfill	3.87m					
E11 Operation of Fire Service	2.60m					
E13 Water Quality, Air and Noise Pollution	0.86m					



<b>Recreation &amp; Amenity</b>									
Clones Erne East Sports Project								8.80m	
F02 Operation of Library & Archival Services			2.20m						
F05 Operation of Arts Programme			1.05m						
<b>Agriculture, Education, Health &amp; Welfare</b>									
G05 Educational Support Services			0.83m						
<b>Miscellaneous Services</b>									
H09 Local Representation/Civic Leadership			1.18m						
H10 Motor Taxation			0.81m						
H11 Agency & Recoupable Services			4.01m						
<b>Expenditure Recently Ended</b>									
No relevant projects were identified within this category									

### Appendix B – Checklists of Compliance

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

#### Checklist 1 – To be completed by All Local Authorities

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Does the Local Authority ensure, on an ongoing basis that appropriate people within the Local Authority and in its agencies are aware of the requirements of the Public Spending Code?	3	2014 is the first year of the PSC in Local Government and all relevant staff have been notified of their obligations under the PSC
Has there been participation by relevant staff in external training on the Public Spending Code (i.e. DPER)	N/A	No Training has been provided for the Local Government sector to date.
Has Internal training on the Public Spending Code been provided to relevant staff?	1	Training is scheduled to be undertaken internally in Q4 of 2015.
Has the Public Spending Code been adapted for the type of project/programme that your Local Authority is responsible for? i.e. have adapted guidelines been developed?	4	Yes. A guidance document has been developed for the QA adapting the PSC to Local Government structures and approach.
Has the Local Authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	N/A	No individual projects sanctioned by the LA reached the expenditure threshold relevant to the PSC
Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Local Authority and to your agencies?	N/A	2014 is the first year of the QA exercise in the Local Government sector
Have recommendations from previous Quality Assurance exercises been acted upon?	N/A	2014 is the first year of the QA requirement in Local Government
Has an annual Public Spending Code Quality Assurance Report been submitted to the National Oversight and Audit Commission (NOAC)?	4	Yes – Report submitted
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process?	4	Required Sample reviewed
Has the Accounting Officer signed off on the information to be published to the website?	4	Yes. Deputy CE has signed off.
<b>Self-Assessed Ratings:</b> 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant		

**Checklist 2 – Capital Expenditure Being Considered**

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

Capital Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Was a Preliminary Appraisal undertaken for all projects > €5m	N/A	Appraisal completed by relevant Government body/agency
Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	3	Yes. In conjunction with the relevant government body/agency.
Was a CBA/CEA completed for all projects exceeding €20m?	N/A	No projects identified in this category
Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes. In conjunction with the relevant government body/agency.
Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the Planning and Design Phase (e.g. procurement)?	4	Required to secure Grants
If a CBA/CEA was required was it submitted to the CEEU for their view?	N/A	
Were the NDFA Consulted for projects costing more than €20m?	N/A	
Were all projects that went forward for tender in line with the Approval in Principle and if not was the detailed appraisal revisited and a fresh Approval in Principle granted?	4	Tenders were in line with approvals.
Was approval granted to proceed to tender?	4	Yes
Were Procurement Rules complied with?	4	Yes
Were State Aid rules checked for all supports?	N/A	N/A in Local Government
Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	4	Yes
Were Performance Indicators specified for each project/programme which will allow for the evaluation of its efficiency and effectiveness?	3	Monaghan Stat process in place
Have steps been put in place to gather the Performance Indicator data?	2	As above
<b>Self-Assessed Ratings:</b>		
0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant		

**Checklist 3 – Current Expenditure Being Considered**

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

Current Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Were objectives clearly set?	N/A	No programmes relevant to PSC in 2014
Are objectives measurable in quantitative terms?	N/A	No programmes relevant to PSC in 2014
Was an appropriate appraisal method used?	N/A	No programmes relevant to PSC in 2014
Was a business case incorporating financial and economic appraisal prepared for new current expenditure?	N/A	No programmes relevant to PSC in 2014
Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	N/A	No programmes relevant to PSC in 2014
Was the required approval granted?	N/A	No programmes relevant to PSC in 2014
Has a sunset clause been set?	N/A	No programmes relevant to PSC in 2014
Has a date been set for the pilot and its evaluation?	N/A	No programmes relevant to PSC in 2014
Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	No programmes relevant to PSC in 2014
If outsourcing was involved were Procurement Rules complied with?	N/A	No programmes relevant to PSC in 2014
Were Performance Indicators specified for each new current expenditure proposal or expansion of existing current expenditure which will allow for the evaluation of its efficiency and effectiveness?	N/A	No programmes relevant to PSC in 2014
Have steps been put in place to gather the Performance Indicator	N/A	No programmes relevant to PSC in 2014
<b>Self-Assessed Ratings:</b> 0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant		

Checklist 4 – Incurring Capital Expenditure

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

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	4	Yes where relevant
Did management boards/steering committees meet regularly as agreed?	3	Yes where relevant
Were Programme Co-ordinators appointed to co-ordinate implementation?	3	Internal Co-ordinating Team in place in most cases.
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	4	
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	In most cases
Did the project keep within its financial budget and its time schedule?	3	In most cases
Did budgets have to be adjusted?	Yes	On occasion.
Were decisions on changes to budgets/time schedules made promptly?	3	Yes
Did circumstances ever warrant questioning the viability of the project and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence)	Yes	See below
If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination?	4	Yes. Review carried out if circumstances warranted, e.g. where property purchase delayed.
If costs increased was approval received from the Sanctioning Authority?	4	Yes.
Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	Yes	House purchases may not always progress due to changing circumstances
For significant projects were quarterly reports on progress submitted to the MAC (Management Team) and to the Minister?	3	Reports produced through the Monaghan Stat process
<b>Self-Assessed Ratings:</b>		
0 - Not Done, 1 - < 50% compliant, 2 - 50-75% Compliant, 3 - > 75% Compliant, 4 – 100% Compliant		

**Checklist 5 – Incurring Current Expenditure**

**Checklist 5: - For Current Expenditure**

Incurring Current Expenditure	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Are there clear objectives for all areas of current expenditure?	3	Yes. Spending Programme Defined as part of the Annual Budget process.
Are outputs well defined?	3	National KPIs are in place for Local Government
Are outputs quantified on a regular basis?	3	Monaghan Stat process in place.
Is there a method for monitoring efficiency on an ongoing basis?	3	Monaghan Stat in place. Budget performance and monitoring is in place.
Are outcomes well defined?	3	Monaghan Stat process in place. The development of the Annual Service Plans will enhance this measurement
Are outcomes quantified on a regular basis?	2	Monaghan Stat process in place. The development of the Annual Service Plans will enhance this measurement
Is there a method for monitoring effectiveness on an ongoing basis?	3	Yes. Spending Programme defined as part of the Annual Budget process. Monaghan Stat in place.
How many formal VFMs/FPAs or other evaluations been completed in the year under review?	N/A	
Is there an annual process in plan to plan for new VFMs, FPAs and evaluations?	N/A	
Have all VFMs/FPAs been published in a timely manner?	N/A	
Is there a process to follow up on the recommendations of previous VFMs/FPAs and other evaluations?	N/A	
How have the recommendations of VFMs, FPAs and other evaluations informed resource allocation decisions?	N/A	
<b>Self-Assessed Ratings:</b> <b>0 - Not Done, 1 - &lt; 50% compliant, 2 - 50-75% Compliant, 3 - &gt; 75% Compliant, 4 – 100% Compliant</b>		

**Checklist 6 – Capital Expenditure Completed**

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

Capital Expenditure Completed	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
How many post-project reviews were completed in the year under review?	N/A	No projects identified in this category in 2014
Was a post project review completed for all projects/programmes exceeding €20m?	N/A	No projects identified in this category in 2014
If sufficient time has not elapsed to allow a proper assessment of benefits has a post project review been scheduled for a future date?	N/A	No projects identified in this category in 2014
Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?	N/A	No projects identified in this category in 2014
Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?	N/A	No projects identified in this category in 2014
Was project review carried out by staffing resources independent of project implementation?	N/A	No projects identified in this category in 2014
<b>Self-Assessed Ratings:</b> <b>0 - Not Done, 1 - &lt; 50% compliant, 2 - 50-75% Compliant, 3 - &gt; 75% Compliant, 4 – 100% Compliant</b>		

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

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

Current Expenditure that (i) reached the end of its planned timeframe or (ii) Was discontinued	Self-Assessed Compliance Rating: 0 - 4	Comment/Action Required
Were reviews carried out of, current expenditure programmes that matured during the year or were discontinued?	N/A	No programmes identified in this category in 2014
Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes identified in this category in 2014
Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes identified in this category in 2014
Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No programmes identified in this category in 2014
Were any programmes discontinued following a review of a current expenditure programme?	N/A	No programmes identified in this category in 2014
Was the review commenced and completed within a period of 6 months?	N/A	No programmes identified in this category in 2014
<b>Self-Assessed Ratings:</b> <b>0 - Not Done, 1 - &lt; 50% compliant, 2 - 50-75% Compliant, 3 - &gt; 75% Compliant, 4 – 100% Compliant</b>		

**Notes:**

- (a) The scoring mechanism for the above tables is set out below@
  - I. Scope for significant improvements = a score of 1
  - II. Compliant but with some improvement necessary = a score of 2
  - III. Broadly Compliant = a score of 3
  
- (b) For some questions, the scoring mechanism is not always strictly relevant. In these cases, it is appropriate to mark as N/A and provide the required information in the commentary box as appropriate.
  
- (c) The focus should be on providing descriptive and contextual information to frame the compliance ratings and to address the issues raised for each question. It is also important to provide summary details of key analytical outputs for those questions which address compliance with appraisal/evaluation requirements i.e. the annual number of CBAs, VFMs/FPAs and post project reviews.