

Public Spending Code
Quality Assurance Report for 2018
Monaghan County Council

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



May 2019

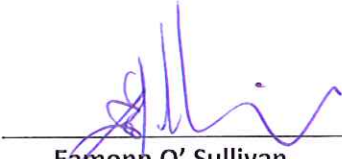
Contents

| | |
|--|----|
| Certificate | 3 |
| Introduction | 4 |
| Requirements of the Quality Assurance Aspect of the Public Spending Code | 4 |
| STEP 1 – Project Inventory | 4 |
| STEP 2 - Summary of Procurements in excess of €10m | 5 |
| STEP 3 - Checklists | 5 |
| Findings on Completion of Checklists | 6 |
| STEP 4 - In-Depth review of a sample number of projects | 6 |
| Conclusion | 10 |
| Appendix 1 | 11 |
| 2018 Inventory of Projects and Programmes over €0.5m..... | 11 |
| Appendix 2 | 12 |
| Self Assessment check lists | 12 |
| Appendix 3 | 13 |
| Quality Assurance – In depth check..... | 13 |
| RAS/Leasing..... | 13 |
| Appendix 4 | 14 |
| Quality Assurance – In depth check..... | 14 |
| Refurbishment of the Market House Clones for use as a Municipal District Office..... | 14 |
| Appendix 5 | 15 |
| Quality Assurance – In depth check..... | 15 |
| Ulster Canal Greenway, Phase 2; Smithborough to Middletown | 15 |

Certificate

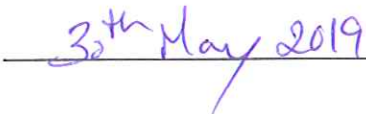
This Annual Quality Assurance Report sets out Monaghan County Council's approach to completing the Quality Assurance requirements as set out in the Public Spending Code. It is based on the best financial, organisational and performance related information available across the various areas of responsibility.

Signature of Accounting Officer:



Eamonn O' Sullivan
Chief Executive
Monaghan County Council

Date:



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 |
| | | Capital Grant schemes > €0.5m |
| | | Current Expenditure programme - Increases over €0.5m |
| 2 | Expenditure being incurred | Capital Projects greater than €0.5m |
| | | Capital Grant Schemes greater than €0.5m |
| | | Current Expenditure greater than €0.5m |
| 3 | Expenditure that has recently ended | Capital Projects greater than €0.5m |
| | | Capital Grant Schemes 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 64 Projects under the three stages and comprise a total value of €200.70m. 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 | | | | 4 | 1 | 1 | 6 |
| Expenditure Being Incurred | 26 | 2 | | 21 | 6 | | 55 |
| Expenditure recently ended | | | | 3 | | | 3 |
| Totals | 26 | 2 | | 28 | 7 | 1 | 64 |

| Project Total Values | Revenue Expenditure | | | Capital Expenditure | | | Totals €m |
|------------------------------|---------------------|--------------|-----------|---------------------|--------------|--------------|---------------|
| | €0.5m - €5m | €5m - €20m | Over €20m | €0.5m - €5m | €5m - €20m | Over €20m | |
| | €M | €M | €M | €M | €M | €M | €M |
| Expenditure Being considered | | | | 7.73 | 14.29 | 25.00 | 47.02 |
| Expenditure Being Incurred | 41.53 | 14.91 | | 40.78 | 52.01 | | 149.23 |
| Expenditure recently ended | | | | 4.45 | | | 4.45 |
| Totals | 41.53 | 14.91 | | 52.96 | 66.30 | 25.00 | 200.70 |

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

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

<https://monaghan.ie/public-spending-code/>

in 2018 one project managed by Monaghan Co Council's housing section where the procurement was the responsibility of Respond Housing Association.

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 2018 the Internal Auditor selected the following projects:-

1. RAS/Leasing
2. Refurbishment of the Market House Clones for use as a Municipal District Office
3. Ulster Canal Greenway, Phase 2; Smithborough to Middletown

1.RAS/Leasing

The following section presents a summary of the findings of this In-Depth Check on the Rental Accommodation Scheme (RAS) programme. The value of this on the inventory is €1.86 million and represents **3.30% of the total current expenditure on the inventory and is listed as “Expenditure being incurred”**. This €1.86 million represents the total of A07 in the 2018 AFS, however this total includes Leasing costs of €583,225.00 and also the allocation of support services totalling €75,666.

The amount of €1,197,913 of the overall total is directly linked to RAS which represents 2.12% of the inventory, this is the element examined for the review. The Council is responsible for the implementation of the Rental Accommodation Scheme (RAS) in accordance with the Circulars issued by the Department of Housing Planning and Local Government.

This national scheme was introduced in 2004 to cater for the accommodation needs of persons who are in receipt of long term rent supplement, i.e. normally in receipt of rent supplement for a minimum of 18 months and having a long term need for social housing. Under the RAS the Council enter into contractual arrangements with accommodation providers to secure properties that are suitable for those eligible under the scheme. Monaghan County Council have assigned Staff to implement the scheme.

Landlords must also comply with various conditions in order to have their accommodation considered under the RAS, conditions such as the following:- The landlord must be tax compliant, the property must meet certain standards as specified, the Landlord must be registered with the Residential Tenancies Board etc. When the criteria is met, the Contracts/Agreements are signed by the relevant parties. The Council pay an agreed rent to the landlord monthly and the tenants pay a weekly rent to the Council. The tenants rent is calculated in accordance with the Councils “differential rent scheme”.

It was noted that the number of RAS tenancies being created annually is expected to be reducing due to the fact, that more applicants/tenancies are being supported under the "Housing Assistance Payment" (HAP) Scheme which is currently running parallel to the RAS. The target issued by the Department of Housing Planning and Local Government for the RAS for 2018 was 5 and Monaghan County Council exceeded the target. A sample of Key documents were checked as part of this review. Some improvements could be made, these were discussed with the relevant staff and agreed. Recommendations have been made.

Based on the information examined and items discussed with the Staff, there is evidence to indicate compliance with the PSC.

2. Refurbishment of the Market House Clones for use as a Municipal District Office

The following section presents a summary of the findings of this In-Depth Check on the Ulster Canal Greenway. The value of this project on the inventory is €5million and represents 3.47% of the total Capital inventory and is listed as Expenditure being incurred.

Monaghan County Council entered into a partnership with Waterways Ireland, Armagh Banbridge Craigavon Borough Council and East Border Region to deliver this Ulster Canal Greenway Project. The project will create 22km of new greenways between Smithborough, Co Monaghan and Middletown in Co Armagh. The majority of the route is in County Monaghan. Grant aid up to a maximum value of €4,950,672.00 has been approved by Special EU Programme Body (SEUPB), subject to conditions. This is to be spent and claimed by 30th June 2021 after which any remaining costs will be deemed to be ineligible for reimbursement.

In relation to the processes at this stage of the project, the relevant documentation is available and a project reporting system is in place. Regular meetings between the partners takes place with updates on the project. However, I would recommend that more regular updates be provided to Monaghan County Council Management Team as part of the "Capital Projects Update" report which is provided by the Corporate Assets department.

At end of 2018, €243,268.68 was spent with €193,808.05 income received in the Job code. Waterways Ireland are the lead partners and Monaghan County Council was assigned the role of budget holder. The procurement of the Design consultants has taken place and the appointment of the recommended design consultant is expected shortly.

When the design is agreed, a grant of planning permission will be required, land acquisition processes will need to take place where necessary and the actual construction of the greenway between Smithborough and Middletown must be completed within the agreed timeframe and budget.

A sample of documentation on files was examined as part of this review and those examined indicated satisfactory compliance with the Public Spending Code.

3. Ulster Canal Greenway, Phase 2; Smithborough to Middletown

The following section presents a summary of the findings of this In-Depth Check on the refurbishment of the Market House Clones for use as the Municipal District Offices. The value of this project on the inventory is €1.2 million and represents 0.83% of the total Capital inventory and is listed as Expenditure being incurred.

Monaghan County Council have a statutory responsibility towards the Market House, in accordance with the Part IV of the Planning and Development Act 2000. The obligation to preserve a protected structure applies to all parts of the structure. As the owner, Monaghan County Council must ensure the is not endangered through harm, decay or damage, whether over a short or long period. Monaghan County Council, in 2015, commissioned a feasibility study to identify uses for the Clones Market House compatible with the buildings importance and stature. Four options were identified and the Council selected the civic offices option which was seen as an ideal fit for this building and was also seen as a solution to the Councils need to provide office space in the area and provide a headquarters for the Ballybay Clones Municipal District.

A Procurement process was initiated to appoint an Architect Led Design Team. Planning Permission was granted. Funding was agreed and Contractors were procured and appointed to carry out the works. A sample of various documents were examined as part of this review. Documents such as programme of works, minutes of meetings with design team /contractors, and details of reports to Senior Staff were on file etc. Approval process was good, change order requests and various payments had at least 2 signatures recommending approval. A loan was approved by Council and Ministerial sanction was received to fund the project by way of a loan amounting to €1.3m.

A final account has yet to be agreed. Staff indicated the post project review document would be completed within the required time frame. The relevant data required for a future

evaluation of the project is available. The building was officially opened in October 2018 and the Council achieved its objectives as set out earlier in this report.

Key documents on file were examined as part of this review, these indicated that some improvements could be made, however the overall project was well managed and in general there was satisfactory compliance with the Public Spending Code.

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 2018 financial year.
- The relevant link in relation to publishing procurements over €10m has been placed on Monaghan County Council’s website. There were three projects over €10m threshold during 2018.
- 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. Three projects were examined and recommendations are as per attached Appendix 3, 4 & 5.
- 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, the Chief Executive and will be published on Monaghan Co. Council’s website.

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.

Appendix 1

2018 Inventory of Projects and Programmes over €0.5m

Monaghan County Council

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

Appendix 2

Self Assessment check lists

Monaghan County Council

Monaghan County Council

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)? | 1 | Training is required as staff's as there is a huge movement in staff and may not be aware of the requirements of the PSC |
| 1.2 Has training on the Public Spending Code been provided to relevant staff within the authority? | 1 | Training is provided in relation to procurement and is ongoing but no specific training has been carried out for a number of years on the PSC due to lack of training providers in that field. |
| 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 | Yes, a guidance document has been developed for QA adapting the PSC to local government structures approach |
| 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? | N/A | No Agencies are funded |
| 1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies? | 3 | yes |
| 1.6 Have recommendations from previous QA reports been acted upon? | 3 | yes |
| 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 report submitted and published on Council'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 three projects were examined in detail – Market House, Carrickmacross, Ulseater Canal, Greenway and RAS (Revenue) |
| 1.9 Is there a process in place to plan for ex post evaluations/Post Project Reviews? Ex-post evaluation is conducted after a certain period has passed since the completion of a target project with emphasis on the effectiveness and sustainability of the project. | 3 | Yes – new template for Post Project Review have been designed and <i>Post Project reviews are to be carried out within the first 18 months following completion of all contracted works greater than €500,000 and goods and services greater than €100,000.</i> |
| 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? | n/a | No Post Project Reviews were required during 2018 – however the above applies at 1.9 |
| 1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews? | 3 | Yes in accordance with the Public Spending Code it is this Council's Policy as directed through adopted procurement procedures that any significant lessons learnt from a PPR should be translated into changes in practices and communicated within the organization and to the Department of the Environment if applicable. |
| 1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions? | 3 | Changes to Procurement and changes to project structures |

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 |
| 2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes? | 3 | Yes |
| 2.3 Was a CBA/CEA completed for all projects exceeding €20m? | 2 | Yes – underway not completed |
| 2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision) | 3 | Yes |
| 2.5 Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the planning and design phase (e.g. procurement)? | 3 | Yes |
| 2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views? | 2 | Yes |
| 2.7 Were the NDFA consulted for projects costing more than €20m? | 2 | We have one project and this is underway |
| 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 |
| 2.9 Was approval granted to proceed to tender? | 3 | Yes |
| 2.10 Were procurement rules complied with? | 3 | Yes |
| 2.11 Were State Aid rules checked for all supports? | n/a | |
| 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 |
| 2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date? | 3 | Yes, time cost |
| 2.14 Have steps been put in place to gather performance indicator data? | 3 | Yes, time costs, risks |

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

| Current Expenditure being Considered – Appraisal and Approval | Self-Assessed Compliance Rating: 1 - 3 | Comment/Action Required |
|---|--|------------------------------------|
| 3.1 Were objectives clearly set out? | 3 | No new current expenditure in 2018 |
| 3.2 Are objectives measurable in quantitative terms? | 3 | n/a |
| 3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure? | 3 | n/a |
| 3.4 Was an appropriate appraisal method used? | 3 | n/a |
| 3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years? | n/a | n/a |
| 3.6 Did the business case include a section on piloting? | n/a | n/a |
| 3.7 Were pilots undertaken for new current spending proposals involving total expenditure of at least €20m over the proposed duration of the programme and a minimum annual expenditure of €5m? | n/a | n/a |
| 3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme? | n/a | n/a |
| 3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department? | n/a | n/a |
| 3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence? | n/a | n/a |
| 3.11 Was the required approval granted? | n/a | n/a |
| 3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set? | n/a | n/a |
| 3.13 If outsourcing was involved were procurement rules complied with? | n/a | n/a |
| 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 |
| 3.15 Have steps been put in place to gather performance indicator data? | 3 | yes |

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 |
| 4.2 Did management boards/steering committees meet regularly as agreed? | 3 | Yes monthly |
| 4.3 Were programme co-ordinators appointed to co-ordinate implementation? | 3 | Yes |
| 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 |
| 4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality? | 3 | yes |
| 4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule? | 2 | Some roads programmes were delayed due to lack of funding or Part 8 requirements or ecology surveys required |
| 4.7 Did budgets have to be adjusted? | 2 | Some Roads programme budgets needed adjustments |
| 4.8 Were decisions on changes to budgets / time schedules made promptly? | 3 | Yes reviewed continuously |
| 4.9 Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence, etc.) | 3 | Yes |
| 4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination? | 3 | Yes |
| 4.11 If costs increased was approval received from the Sanctioning Authority? | 3 | Yes in roads projects only |
| 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 termination of projects |

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 | Annual Service Delivery Plans Prepared |
| 5.2 Are outputs well defined? | 3 | Performance model – Monaghanstat in place |
| 5.3 Are outputs quantified on a regular basis? | 3 | On monthly basis Monaghanstat process |
| 5.4 Is there a method for monitoring efficiency on an on-going basis? | 3 | Through Monaghstat model and internal audit |
| 5.5 Are outcomes well defined? | 3 | Performance model – Monaghanstat in place |
| 5.6 Are outcomes quantified on a regular basis? | 3 | Performance model – Monaghanstat in place |
| 5.7 Are unit costings compiled for performance monitoring? | 1 | Unit costs for Restoration improvement and restoration maintenance compiled for DDTAS and NOAC KPI's |
| 5.8 Are other data compiled to monitor performance? | 3 | Performance model – Monaghanstat in place |
| 5.9 Is there a method for monitoring effectiveness on an on-going basis? | 3 | Performance model – Monaghanstat in place |
| 5.10 Has the organisation engaged in any other 'evaluation proofing' ¹ of programmes/projects? | 3 | Performance model – Monaghanstat in place |

¹ Evaluation proofing involves checking to see if the required data is being collected so that when the time comes a programme/project can be subjected to a robust evaluation. If the data is not being collected, then a plan should be put in place to collect the appropriate indicators to allow for the completion of a robust evaluation down the line.

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

| 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 | No Post Project reviews were required in 2018 |
| 6.2 Was a post project review completed for all projects/programmes exceeding €20m? | n/a | No Post Project reviews were required in 2018 |
| 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 | No Post Project reviews were required in 2018 |
| 6.4 Aside from projects over €20m and grant schemes over €30m, was the requirement to review 5% (Value) of all other projects adhered to? | 2 | <i>This Council's policy is that Post Project reviews are to be carried out within the first 18 months following completion of all contracted works greater than €500,000 and goods and services greater than €100,000.</i> |
| 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? | n/a | No Post Project reviews were required in 2018 |
| 6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies) | n/a | No Post Project reviews were required in 2018 |
| 6.7 Were changes made to practices in light of lessons learned from post-project reviews? | n/a | No Post Project reviews were required in 2018 |
| 6.8 Were project reviews carried out by staffing resources independent of project implementation? | n/a | No Post Project reviews were required in 2018 |

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 current expenditure programmes matured during 2018 |
| 7.2 Did those reviews reach conclusions on whether the programmes were efficient? | n/a | n/a |
| 7.3 Did those reviews reach conclusions on whether the programmes were effective? | n/a | n/a |
| 7.4 Have the conclusions reached been taken into account in related areas of expenditure? | n/a | n/a |
| 7.5 Were any programmes discontinued following a review of a current expenditure programme? | n/a | n/a |
| 7.6 Were reviews carried out by staffing resources independent of project implementation? | n/a | n/a |
| 7.7 Were changes made to the organisation's practices in light of lessons learned from reviews? | n/a | n/a |

Notes:

- ❖ The scoring mechanism for the above checklists is as follows:
 - Scope for significant improvements = a score of 1
 - Compliant but with some improvement necessary = a score of 2
 - Broadly compliant = a score of 3

- ❖ For some questions, the scoring mechanism is not always strictly relevant. In these cases, it is appropriate to mark as N/A and provide the required information in the commentary box as appropriate.

- ❖ 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 covered in the sample for those questions which address compliance with appraisal/evaluation requirements i.e. the annual number of appraisals (e.g. Cost Benefit Analyses or Multi Criteria Analyses), evaluations (e.g. Post Project Reviews). Key analytical outputs undertaken but outside of the sample should also be noted in the report.

Appendix 3

Quality Assurance – In depth check

RAS/Leasing

Monaghan County Council

Comhairle Contae Mhuineacháin

Internal Audit Department



Public Spending Code RAS / Leasing

May 2019.

Quality Assurance – In Depth Check

Section A: Introduction

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

| Programme or Project Information | |
|---|---|
| Name | RAS |
| Detail | Rental Accommodation Scheme (RAS) is a social housing support introduced to cater for the accommodation needs of persons who are in receipt of long term rent supplement. |
| Responsible Body | Monaghan County Council. |
| Current Status | Expenditure Being Incurred - Current expenditure |
| Start Date | Introduced in 2004 |
| End Date | Continuous Revenue Programme |
| Overall Cost | €1.09 million RAS (€1.86m as per A07 in 2018 AFS Appendix 2 but this figure includes an amount for Leasing plus the support service costs allocated) |

Project Description (short)

Monaghan County Council is responsible for delivering the Rental Accommodation Scheme (RAS). It is a national scheme introduced by the Department of Housing to cater for the accommodation needs of persons who are in receipt of long term rent supplement, normally in excess of 18 months and having a long term need for housing. Under RAS, private rented properties provide an additional source of rental accommodation for those eligible.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, the Staff in Housing Section assisted in the completion of this Programme Logic Model (PLM) for the Rental Assistance Scheme.

| Objectives | Inputs | Activities | Outputs | Outcomes |
|--|---|---|--|--|
| To maintain contracts for tenants on the Rental Accommodation Scheme. | Funding. Staff resources to manage and deliver the Scheme. | Source suitable property. | Monaghan County Council will have suitable property available. | That those with a long-term housing need will be housed under RAS |
| To provide accommodation for those in need of housing. | | Manage the scheme, which includes carrying out various consultations, house visits, meetings etc. | Relevant Contracts and documents will be in place. | That accommodation will be suitable for those housed |
| To support families who are in need of social housing support. | | Carry out the necessary administrative work | | That those in need of social housing will have been provided with a more secure tenure under contract. |
| To ensure efficient and effective delivery of the RAS Scheme | | Ensure collection and payment of rents. | | That Department targets will be achieved. |
| To achieve targets as directed by Department of Housing Planning and LG. | | Recoupment claims and reports. | | |

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

The following section tracks the activity of the RAS programme/ milestones. This programme falls under the heading “*expenditure being incurred*” Revenue.

| | |
|--|---|
| Ongoing | Applications received for social housing. |
| Ongoing | Assessment of housing applications are carried out by the Council’s Environmental Health Officer. |
| Ongoing | RAS Accommodation sought, Staff view properties and meetings are arranged. |
| Ongoing | Contracts with Landlords/Tenants /LA |
| Weekly for tenants / Monthly for Landlords. | Collection of rents and payment of rents. |
| Monthly | Recoupments from Department of Housing Planning and LG |
| Monthly / Annual | Returns to DHPLG/Revenue. |
| | |
| | |

Section B – Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Project.

| Project/Programme Key Documents | |
|---|---|
| Title | Details |
| The Rental Accommodation Scheme – The Legal Arrangements. | Guidance on the legal requirements |
| Letter from Dept of Housing Planning and LG is on file dated 8/3/2018 indicating the target expected for year | Targets expected for the year 2018 |
| Housing Applications | Details of those requiring social housing |
| Assessment of Need for housing | Detail indicating the need. |
| Property Report on accommodation viewed by Co Staff. | Details of the property (checklist report) |
| Documents required for Landlord contracts | Tax Clearance / PRTB certs, etc |
| Agreements / Contracts | Details of Residential Tenancy and Rent Contribution Agreement. |
| Accounts on Agresso for Landlord and Tenants. | Details of rents charge per week/month and the payments. |

| | |
|--|--|
| Recoupment and Returns to Department and returns to Revenue Commissioners. | Copy of Laserfiche file |
| Procedure document | Step by step procedures run "subscriptions AR and AP" for tenants and landlords. |

Section B - Step 4: Data Audit

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

| Data Required | Use | Availability |
|---|---|--------------|
| Department Circulars / guidance notes etc. | To ensure the scheme is operated as it should be. | Yes |
| Number of Applicants eligible and housed under RAS | To measure target success. | Yes |
| Inspection of Accommodation | To ensure suitable property is being provided. | Yes |
| Contracts – Landlords, Tenant & LA Agreements and other related documents | To ensure compliance with Scheme including the legal element and to provide a level of security for the tenants | Yes |

| | | |
|---------------------------------------|--|-----|
| Customer Accounts and Financial Files | To record relevant data is on the Councils financial system (Agresso) and that they are monitored frequently | Yes |
| Recoupment information (from DoHPLG) | To ensure funding is available, claimed and received. | Yes |
| Returns to DoHPLG & Revenue | To ensure compliance with relevant regulations. | Yes |

Data Availability and Proposed Next Steps: Housing Section Staff confirmed that the data required for a future evaluation of the project as listed above is available in Housing Section electronic filing system. (Laserfiche)

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for the RAS programme based on the findings from the previous sections of this report.

Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)

This project is on the PSC inventory under the heading “*Current Expenditure being incurred*”. It was released by the Department of Housing Planning and Local Government (DoHPLG) and Local Authorities were asked to implement it. As part of the implementation of the RAS, Internal Audit noted information on the files such as: evidence of written Agresso procedures for running the Agresso weekly rents for tenants and for the monthly rents due to Landlords, Agreements between the Landlord /Tenant /LA ‘s, Monthly and Annual Reports to the DoHPLG and Revenue where it applies. There was also sign off sheet signed by 2 Staff approving the landlord rent agreed. There was also evidence that checks are carried out on rent arrears. It was also noted that some areas require improvement with regard to compliance with the scheme. These were discussed with the relevant staff and agreed. Notwithstanding that, there was evidence to indicate satisfactory compliance with the Public Spending Code.

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

There is evidence that the necessary data will be available.

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

- That Staff in the organisation should be reminded of the Public Spending Code requirements.
- That a procedure manual for the RAS programme and check list sheet be prepared to indicate the processes that are to be applied and that the necessary documentation is available on file.
- A process/checking system be agreed in order to monitor payments to Landlords to ensure no payments are made to landlords in error.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Rental Accommodation Scheme (RAS) programme. The value of this on the inventory is €1.86 million and **represents 3.30% of the total current expenditure on the inventory and is listed as “Expenditure being incurred”**. This €1.86 million represents the total of A07 in the 2018 AFS, however this total includes Leasing costs of €583,225.00 and also the allocation of support services totalling €75,666.

The amount of €1,197,913 of the overall total is directly linked to RAS which represents 2.12% of the inventory, this is the element examined for the review.

The Council is responsible for the implementation of the Rental Accommodation Scheme (RAS) in accordance with the Circulars issued by the Department of Housing Planning and Local Government.

This national scheme was introduced in 2004 to cater for the accommodation needs of persons who are in receipt of long term rent supplement, i.e. normally in receipt of rent supplement for a minimum of 18 months and having a long term need for social housing. Under the RAS the Council enter into contractual arrangements with accommodation providers to secure properties that are suitable for those eligible under the scheme. Monaghan County Council have assigned Staff to implement the scheme.

Landlords must also comply with various conditions in order to have their accommodation considered under the RAS, conditions such as the following:- The landlord must be tax compliant, the property must meet certain standards as specified, the Landlord must be registered with the Residential Tenancies Board etc. When the criteria is met, the Contracts/ Agreements are signed by the relevant parties. The Council pay an agreed rent to the landlord monthly and the tenants pay a weekly rent to the Council. The tenants rent is calculated in accordance with the Councils “differential rent scheme”.

It was noted that the number of RAS tenancies being created annually is expected to be reducing due to the fact, that more applicants/tenancies are being supported under the “Housing Assistance Payment” (HAP) Scheme which is currently running parallel to the RAS. The target issued by the Department of Housing Planning and Local Government for the RAS for 2018 was 5 and Monaghan County Council exceeded the target. A sample of key documents were checked as part of this review. Some improvements could be made, these were discussed with the relevant staff and agreed. Recommendations have been made.

Based on the information examined and items discussed with the Staff, there is evidence to indicate compliance with the PSC.

Appendix 4

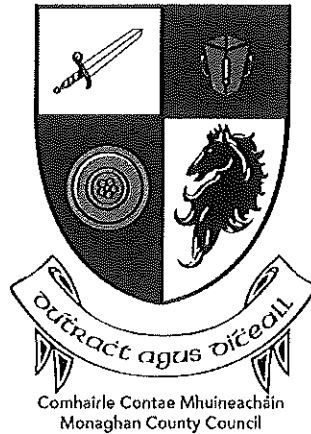
Quality Assurance – In depth check

**Refurbishment of the Market House Clones for use as a Municipal
District Office**

Monaghan County Council

Comhairle Contae Mhuineacháin

Internal Audit Department



Public Spending Code Review on the Refurbishment of the Market House Clones for use as a Municipal District Office.

March 2019.

Quality Assurance – In Depth Check

Section A: Introduction

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

| Programme or Project Information | |
|---|--|
| Name | Clones Market House |
| Detail | Refurbishment of the Market House Building in Clones for use as the Municipal District Offices |
| Responsible Body | Monaghan County Council |
| Current Status | Recently complete |
| Start Date | First Proposed in 2015 |
| End Date | Construction completed 2018 Defects Period ends 2019 |
| Overall Cost | Forecast as €1.3m |

Project Description (short)

Clones Market House is a landmark building in The Diamond, Clones occupying a historic site in the plantation core of the town. Erected in 1843 to designs by William Deane Butler to replace an earlier eighteenth century Market House.

Monaghan County Council has a statutory responsibility towards the Market House, in accordance with the Part IV of the Planning and Development Act 2000. The obligation to preserve a protected structure applies to all parts of the structure, including its interior, all land around it, and any other structures on that land.

As the owner, Monaghan County Council must ensure that the Market House or any element of it is not endangered through harm, decay or damage, whether over a short or long period, through neglect or through direct or indirect means.

Having considered the 2012 Conservation Plan, Monaghan County Council, in 2015, commissioned a feasibility study to identify uses for the Clones Market House compatible with the buildings importance and stature.

Four options were identified. Discussion took place at meetings and it was decided the civic offices option would be an ideal fit for the building and was also a timely solution to the councils needs to rationalise its office space in the area and provide a headquarters for the Ballybay Clones Municipal District.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, the person with responsibility for the project in Ballybay Clones MD, and Internal Audit staff completed this Programme Logic Model (PLM) for the refurbishment of the Market House in Clones Town.

| Inputs | Activities | Outputs | Outcomes |
|--|---|--|--|
| <p>To refurbish a derelict protected building which is located on the Diamond Clones.</p> <p>To provide new offices for the Councils Municipal District.</p> <p>To preserve a protected building</p> | <p>Carry out Feasibility Study. Meeting with various consultants and others. Ensure the design was most suitable to the need.</p> <p>Carry out Procurement processes.</p> <p>Secure Planning permission. Monitor project.</p> <p>Complete the refurbishment of the building and undertake fitout.</p> <p>Official opening</p> | <p>Derelict building regenerated in town centre.</p> <p>Monaghan County Council will have delivered new Headquarters for the Municipal District of Ballybay Clones</p> <p>A protected building will be preserved for future years.</p> <p>Suitable space provided for Staff, Councillors and others.</p> | <p>Visual improvement of a protected structure in the centre of the town.</p> <p>New Municipal District Headquarters delivered.</p> <p>Improved customer services and facilities for public and staff meetings.</p> <p>New location has provided the MD with a higher profile in the town.</p> <p>The range of spaces and facilities proved better interaction with the Public, local groups and state agencies.</p> <p>New business brought to town due to successful lease arrangement for the office space vacated by the MD office.</p> <p>Precursor to other buildings in the area being developed.</p> |

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

The following section tracks the Project from inception to conclusion in terms of major project/programme milestones. This project falls under the heading “*expenditure being considered*” to refurbish the Market House building

| | |
|-----------------------|--|
| July 2015 | MCC had commissioned feasibility study to determine best use for the building in the future. The study outlined 4 options |
| Feb 2016 | Meeting with Senior Management - 4 options considered and agreement documented in minutes to develop the building for use as a Municipal District Office |
| August 2016 | Tender Documents issued for the procurement of the design team to undertake the detailed design of the Civic Offices. |
| November 2016 | Alastair Coey Architects appointed to act as Architect Led Design Team. |
| April 2017 & Dec 2018 | Applications and approvals to raise a loan for the Market House Clones. |
| July 2017 | Part 8 Planning Permission Granted. |
| August 2017 | Tender Documents issued for the procurement of the Contractor to undertake the construction of the Civic Offices. |
| October 2017 | Francis Haughey Construction Ltd appointed as Main Contractor. |
| At various intervals | Monitoring of project - Meetings with Staff, Contractors & Architects. |
| August 2018 | Substantial Completion. |
| October 2018 | Official Opening. |
| August 2019 | Defect Period ends. |
| | Post Project Review. |

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Project.

| Project/Programme Key Documents | |
|---|--|
| Title | Details |
| Feasibility Study and Minutes | In July 2015 MCC commissioned feasibility study to determine best use for the building in the future. 4 options considered. Use of the building as the Civic Offices for the Ballybay/Clones Municipal District was agreed by Senior Management. |
| Project Brief and tender documents for the procurement of design team | Tender Documents issued for the procurement of the design team to undertake the detailed design of the Civic Offices. |
| Loan approval | Application and Council approvals to raise loan for Market House Clones in accordance with Section 106 of the LG Act 2001 and Department Sanction to borrow. |
| Planning and associated document | Part 8 planning approval obtained – 26/07/2017. |
| Public Tender Documents for procurement of Contractor | Tender Documents issued for the procurement of the Contractor to undertake the construction of the Civic Offices. |
| Approval from Chief Executive to appoint Contractor | Chief Executive Order for appointment of the Contractor dated 25/10/2017. |
| Programme of works | A reference point indicating the timeline for how the project will progress. |
| Minutes | Minutes of meetings held in relation to progress of work. |
| Post-Project Review | Final Close Out Report for the Project. (not available until project complete) |

Key Document 1: Feasibility Study and Minutes of Senior Mgt. In July 2015 MCC commissioned feasibility study to determine best use for the building in the future. 4 options considered. Minutes of meeting dated 26/2/2016 indicate agreement to develop the building as the Civic Offices for the Ballybay/Clones Municipal District.

Key Document 2: Project Brief and documents for procurement of design team. Tender Documents issued for the procurement of the design team to undertake the detailed design of the Civic Offices.

- 1 a - Project Brief - Clones Market House
- 1 b - Existing Floor Plans
- 1 c - Clones Market House Conservation Plan
- 2 a - Schedule of Stage Services - Architect
- 2 b - Schedule of Stage Services Civil - Structural Engineers
- 2 c - Schedule of Stage Services Mechanical & Electrical Engineers
- 2 d - Schedule of Stage Services Quantity Surveyors
- 3 - Standard Conditions of Engagement
- 4 - Tender & Schedule
- 5 - ITT & Qualification Questionnaire
- 6 a - Appendix A - Personal Situation Declaration
- 6 b - Appendix B - Personal Situation Declaration
- 7 - Standard Collateral Warranties
- Cover Letter - Clones Market House

Key Document 3: Loan documents. Application and Approval from Council to borrow by way of Loan, Ministerial Sanction.

Key Document 4: Planning application documents. Confirmation of Planning Permission as received on 26/07/2017, Fire and disability certificates.

Key Document 5: Public Tender Documents for procurement of Contractor.

- Volume A1 – Project Particulars
- Volume A2 – Architectural Documents
- Volume A3 – M&E Documents
- Vol B – Form of Tender and Schedule
- Vol C – Pricing Document
- ITT
- SAQ

Key Document 6: CE Order signed by Director 25/10/2017 to appoint Contractor.

Key Document 7: Programme of works - A reference point indicating the timeline for how the project will progress.

Key Document 8: Minutes of meetings held in relation to progress of work. Various sets of minutes were on file.

Key Document 9: Post Project Review (not yet available)

Section B - Step 4: Data Audit

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

| Data Required | Use | Availability |
|---|--|---|
| Justification of Need | To ensure there was a need identified and that the cost was considered. | <p>Yes Available –</p> <p>Presentation by former CE indicated the need for new office space as part of the LG restructuring in 2014. The requirement under the P & D Act 2000 regarding protected structures was also stated as the need to carry out such works.</p> <p>Feasibility study considered options for the old building and Migt agreed the need to develop it for MD offices.</p> |
| <p>Chief Executive /Directors Orders</p> <p>Conservation Plan dated Nov 2012</p> | <p>To ensure compliance with procedures and legislation</p> <p>To be aware of various requirements such as:</p> <ul style="list-style-type: none"> • Planning • The work involved as part of the refurbishment • Extra costs that may not normally be required had the building not been a protected structure. | <p>Yes</p> <p>Yes</p> |

| | | |
|---|--|--|
| Feasibility Study | To allow considerations be given to the possible options for the market house building together with preliminary budget estimates for the various uses. | Yes |
| Funding | To ensure funding was provided and allocated to the project | Yes |
| Planning Permission and associated documents | To confirm planning was granted and any conditions were complied with. | Yes |
| Documents required for all procurement processes. | To encourage VFM and to ensure proper procurement policies and procedures were followed | Yes |
| Minutes of meetings / reports / programme of works | To indicate the monitoring of works and finances. To ensure the relevant senior Staff were updated frequently. | Yes |
| Contracts | To ensure work is carried out responsibility and in accordance with relevant regulations. | Yes |
| All Payments and associated relevant documents and approvals. | To ensure spending was accounted for and approved. | Yes |
| Post Project review. | To reveal lessons learnt for use in future projects. This should include useful information such as, what went well and what did not and the overall cost of project plus how it was funded. | No. Staff stated this will be prepared and available within the required timeframe. |

Data Availability and Proposed Next Steps: The data required for a future evaluation of the project will be available in Ballybay Clones MD after the project is complete.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for the refurbishment of the Market House in Clones as offices for the Ballybay Clones Municipal District, based on the findings from the previous sections of this report.

Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)

This project is on the PSC inventory under the heading “*Capital Expenditure being considered*”. Having examined a sample of documentation listed in the body of this report, there is evidence to indicate general compliance with the standards of the Public Spending Code.

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

There is evidence that the necessary data required for a full evaluation at a later date is available. The Final Account and Post Project review will be available within the next few months when the project is fully complete. The necessary key data is listed under the Data Audit in previous page and is available.

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

- There was evidence of progress reports to Senior Management, however these reports should include more detail on the financial element of the project.
- A reporting structure appeared to be followed, however it was not formally documented.
- Staff should always be reminded of the need to comply with the requirements of the PSC and Procurement.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the refurbishment of the Market House Clones for use as the Municipal District Offices. The value of this project on the inventory is €1.2 million and represents **0.83% of the total Capital inventory and is listed as *Expenditure being incurred***.

Monaghan County Council have a statutory responsibility towards the Market House, in accordance with the Part IV of the Planning and Development Act 2000. The obligation to preserve a protected structure applies to all parts of the structure. As the owner, Monaghan County Council must ensure the is not endangered through harm, decay or damage, whether over a short or long period. Monaghan County Council, in 2015, commissioned a feasibility study to identify uses for the Clones Market House compatible with the buildings importance and stature. Four options were identified and the Council selected the civic offices option which was seen as an ideal fit for this building and was also seen as a solution to the Councils need to provide office space in the area and provide a headquarters for the Ballybay Clones Municipal District.

A Procurement process was initiated to appoint an Architect Led Design Team. Planning Permission was granted. Funding was agreed and Contractors were procured and appointed to carry out the works. A sample of various documents were examined as part of this review. Documents such as programme of works, minutes of meetings with design team /contractors, and details of reports to Senior Staff were on file etc. Approval process was good, change order requests and various payments had at least 2 signatures recommending approval. A loan was approved by Council and Ministerial sanction was received to fund the project by way of a loan amounting to €1.3m.

A final account has yet to be agreed. Staff indicated the post project review document would be completed within the required time frame. The relevant data required for a future evaluation of the project is available. The building was officially opened in October 2018 and the Council achieved its objectives as set out earlier in this report.

Key documents on file were examined as part of this review, these indicated that some improvements could be made, however the overall project was well managed and in general there was satisfactory compliance with the Public Spending Code.

Appendix 5

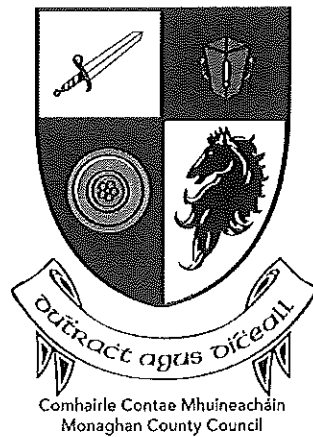
Quality Assurance – In depth check

Ulster Canal Greenway, Phase 2; Smithborough to Middletown

Monaghan County Council

Comhairle Contae Mhuineacháin

Internal Audit Department



Public Spending Code Review

on the

Ulster Canal Greenway, Phase 2; Smithborough to Middletown

May 2019.

Quality Assurance – In Depth Check

Section A: Introduction

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

| Programme or Project Information | |
|---|--|
| Name | Ulster Canal Greenway, Phase 2; Smithborough to Middletown |
| Detail | Construction of a 22km cross-border Greenway along the towpath of the Ulster Canal |
| Responsible Body | Waterways Ireland – Lead Partner Monaghan County Council – Main budget holder Armagh City, Banbridge & Craigavon Borough Council, East Border Region Ltd – Project Partners |
| Current Status | Being Incurred |
| Start Date | December 2016 |
| End Date | Expected completion June 2021 |
| Overall Cost | Allocated budget: €4.95m |

Project Description (short)

In December 2016 INTERREG VA funding of €4.95m was awarded to Phase 2 of the Ulster Canal Greenway. This 22km project is being delivered in partnership between Waterways Ireland, Monaghan County Council, Armagh City Banbridge and Craigavon Borough Council and East Border Region Ltd. The Greenway will connect the Phase 1 Monaghan Town Greenway and will extend from Smithborough in County Monaghan to Middletown in County Armagh.

A Project Manager and a Financial Administrator was appointed to the project by Monaghan County Council. Preliminary design works commenced on Phase 2 in 2017. Environmental studies took place along the route to identify any environmental constraints that need to be taken into account during the design process. A Technical Scoping Study was commissioned in late 2017 to identify all technical constraints that will need to be considered in the design – the Technical Scoping Study was completed in Q2 2018.

Procurement of an Integrated Consultant Team took place in 2018 and a contract is expected to be awarded in 2019.

The actual construction of the greenway is expected to commence in 2020 and is due to complete and open in 2021.

Section B - Step 1: Logic Model Mapping As part of this In-Depth Check, the project manager for the Greenway implementation completed this Programme Logic Model (PLM) for the Greenway project and discussed it with the Internal Auditor.

| Inputs | Activities | Outputs | Outcomes |
|--|--|--|---|
| <p>To encourage and assist cross-border commuters to change from cars to walking/cycling by 2023.</p> <p>Construct 22km of new Greenway.</p> <p>Actively promote behavioural change through a targeted community engagement programme</p> | <p>Ensure procurement policies and procedures are followed.</p> <p>Attend meetings and prepare reports</p> <p>Manage the budget.</p> <p>Appoint Integrated Consultant Team,</p> <p>Manage the construction of the project.</p> <p>Engage with the local community, schools and employers to raise awareness of the Greenway project and to encourage it's use for commuter journeys.</p> | <p>An additional 22km of cross-border Greenway will be constructed, approximately 20km of which will be in County Monaghan.</p> <p>Community engagement programmes which targets local residents, students and employees, encouraging them to walk/cycle for everyday commuter journeys.</p> | <p>22km of new cross-border Greenway delivered for use as recreational and commuter purposes.</p> <p>Contribute to a reduction of CO2 annually from private car emissions due to modal shift, assisting with the delivery of Monaghan Co Co's objectives around air quality and urban mobility.</p> <p>A deepened level of partnership between key stakeholders and project partners, and the creation of a specialist team for the design, delivery and management of cross-border projects.</p> |
| <p>Capital funding - €4,950,672 from the INTERREG VA Programme, Department for Infrastructure NI and Dept of Transport, Tourism and Sport.</p> <p>Staff resources</p> <p>Funding from Council if necessary.</p> <p>Land Acquisition</p> <p>Oversight by Director / MT.</p> | | | |

Objectives:

- To encourage and assist in the modal shift for cross-border commuters from cars to walking/cycling by 2023.
- To Construct 22km of new Greenway.
- To Actively promote behavioural change through a targeted community engagement programme

Inputs:

Capital funding - €4,950,672 from the INTERREG VA Programme, Department for Infrastructure NI and Dept of Transport, Tourism and Sport and Monaghan County Council will manage €4,614,958.63 of this budget.

Staff resources - Monaghan County Council employs a Project Manager (Executive Engineer Grade) and a Financial Administrator (Part-time clerical officer 20 hours/week) whose salaries are charged to the budget. There will also be Director and Management Team monitoring.
Funds and Land where necessary.

Activities:

Procurement process to be applied for the various elements of the project in accordance with the relevant policies, procedures and legislation.
Staff will be expected to attend various meetings and prepare reports and updates.

Management of the budget and the construction of the project.

(To date Environmental studies took place along the route during Summer 2017 to identify any environmental constraints that need to be taken into account during the design process. Additional supplementary surveys were undertaken at discrete locations in Spring/Summer 2018.

A Technical Scoping Study was commissioned in late 2017 to identify all technical constraints that will need to be considered in the design – the Technical Scoping Study was completed in Q2 2018. Procurement of an Integrated Consultant Team to design the works, secure planning approval, facilitate land acquisition, procure the construction contract and oversee the works commenced in Summer 2018. In December 2018 the Project Manager left the post and there was a delay in appointing a replacement. The new Project manager is due to be in position by mid-May 2019. The Integrated Design Team contract is to be awarded in 2019. Construction is planned to commence in 2020 and the Greenway is due to open in 2021.)

As the project progresses, a targeted community engagement programme will engage with the local community, schools and employers to raise awareness of the Greenway project and to encourage it's use for commuter journeys, assisting with the delivery of the modal shift targets.

Outputs:

An additional 22km of cross-border Greenway will be constructed, approximately 20km of which will be in County Monaghan.
Community engagement programmes which targets local residents, students and employees, encouraging them to walk/cycle for everyday commuter journeys.

Outcomes:

The project will deliver 22km of new cross-border Greenway delivered for recreational and commuter purposes.
The project will contribute to a reduction of CO2 annually from private car emissions due to modal shift, assisting with the delivery of Monaghan Co Co's objectives around air quality and urban mobility.
The project will deliver a deepened level of partnership between key stakeholders and project partners, and the creation of a specialist team for the design, delivery and management of cross-border projects.

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

The following section tracks the Project from inception to conclusion in terms of major project/programme milestones. This project falls under the heading “*expenditure being incurred*” to provide the 22km Phase 2 Ulster Canal Greenway; Smithborough to Middletown. This information was provided by the Project Manager who had been appointed in March 2017 until Dec 2018. (New project manager appointed from May 2019)

| | |
|---------------|---|
| 2015 | Initial scoping and preliminary design commenced – input from all project partners. |
| Summer 2016 | Application for funding submitted to INTERREG VA Programme. |
| Dec 2016 | Letter of Offer received from SEUPB. |
| March 2017 | Project Manager Appointed by Monaghan Co Co. |
| May 2017 | Financial Administrator appointed by Monaghan Co Co. |
| Continuous | Financial reports and claims. |
| July 2017 | Environmental Consultant appointed to undertake field studies and reports. |
| December 2017 | Consultant appointed to undertake constraints study. |
| February 2018 | Advance site clearance contract of overgrown areas undertaken to facilitate access for design team. |

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Project.

| Project/Programme Key Documents | |
|---|---|
| Title | Details |
| INTERREG VA Funding Application | Reports Section 1 - 11 (Detailed application saved on the PC as follows) Community Enterprise\Project Management\Smarter Travel funding\National Cycle Network\Phase II Smithborough to Middletown\Pre-development 2015\Application to Interreg\Phase II application |
| Letter of Offer from SEUPB, December 2016 | Issued 6 th December 2016. |
| Partnership Agreement for the implementation of this project. | Outlines Objectives and responsibilities etc., for all partners and is signed by all partners. |
| Monitoring & Evaluation Plan | Prepared as part of the funding application. Under review and to be agreed with SEUPB following guidance/direction from SEUPB. |
| Minutes of meetings | Minutes of meetings to record discussions with decisions etc. |

| | |
|--|---|
| Procurement Files / Documents to date | The relevant procurement documentation for the various elements of the project. |
| Integrated Consultant Team Scope of Services (Volume A), 11 10 2018 and other tender package documents | This suite of documents is the terms of reference for the Integrated Consultant Team and sets out how the route options are to be considered and requires them to prepare costings etc. These were used for the procurement process advertised on the European Journal. |
| Integrated Consultant Team – Quality & Price Scores (Excel), Tender Assessment Report, 16 1 2019, Minutes of Special Steering Group Meeting, 16 1 2019 | This is the tender assessment of the Integrated Consultant Team tenders and the sanction to appoint the successful tenderer. |
| Grant claims and the associated documents | Provides evidence of spend and allows claims to be paid. |

Key Document 1: INTERREG VA Funding Application. This suite of documents prepared and agreed by the project partners and include details on the proposed project, strategy and policy context, needs analysis, options considered, risks, horizontal themes, management arrangements, communications plan, monitoring and evaluation plan and exit strategy.

Key Document 2: Letter of Offer. The Letter of Offer was issued by SEUPB on the 6th December 2016 offering funding of €4.95m to the project and details in it provided a breakdown of the funding. The objectives of the project are also listed here.

Key Document 3: Partnership Agreement for the implementation of this project for all partners.

Key Document 4. Monitoring & Evaluation Plan. A Monitoring and Evaluation Plan (MEP) was submitted by the project partners with the initial funding application. The Letter of Offer sets out key objectives of the project. The MEP is to be updated to reflect these objectives, however the fund manager SEUPB has engaged the services of a consultant to develop an overall MEP for each of the 3 INTERREG VA funded Greenway projects, ensuring consistency between projects. The consultant has not yet defined the terms of reference for the MEP and the revised MEP cannot be finalised for this project at this point (May 2019).

Key Document 5. Minutes Details info in relation to project and decisions.

Key Document 6, 7, 8: Public Tender docs, assessments approvals etc. including Contract. This is the suite of contract documents published on Etenders and the European Journal as required.

Key Document 9: Claims for grant with the relevant backup documents is required to provide evidence of spend and allows claims to be paid. This also provides evidence of transparency and an audit trail.

Section B - Step 4: Data Audit

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

| Data Required | Use | Availability |
|---|--|---|
| Application Form which includes backup information for various elements including Need & Demand. | This is a large application which includes backup documentation to indicate the appraisal processes etc., | Yes, on file. |
| Letter of Offer | Conditions of the offer that must be complied with in order to qualify for grant aid and also ensures proper processes must be in place | Yes, on file. |
| Procurement Processes | Compliance with all Procurement legislation, policies and procedures. | Yes, on file. |
| Planning Permission | To confirm planning was granted and any conditions were complied with. | Not at this stage |
| Contracts | To ensure work is carried out responsibly and in accordance with relevant regulations. | Contracts to date are on file |
| Monitoring Reports to MCC Senior Mgt Team and the various partners & funders regarding the project. | To ensure the project is monitored and all relevant parties are informed as project progresses and that they are made aware of any issues that arise if any. | Documents relevant to all stages of the project to date are available. More will be available as project progresses. Progress Reports should in future be presented to MT also. |

| | | |
|---|---|--|
| Approvals from the relevant bodies. | To ensure compliance with conditions and regulations | Documents relevant to all stages of the project to date are available. More will be available as project progresses. |
| Payments and associated documents and approvals | To ensure spending was accounted for and approved. | Payments on file. |
| Financial monitoring | To ensure the project is funded and the finances are monitored by all parties. | Documents relevant to all stages of the project to date are available. More will be available as project progresses. |
| Final accounts and Post Project review. | To ensure the project is monitored and that lessons learnt are recorded and circulated. | When project completes. |
| Monitoring and Evaluation Plan | Being developed and should set out measurable targets | Not available at this stage. |

Data Availability and Proposed Next Steps:

The data required for a future evaluation of the project will be available in Transportation Section, Monaghan County Council after the project is complete.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for the Ulster Canal Greenway based on the findings from the previous sections of this report.

Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal Stage, Implementation Stage and Post-Implementation Stage)

This project is on the PSC inventory under the heading “*Capital Expenditure being incurred*”. Having examined a sample of documentation listed in the body of this report, there is evidence to indicate general compliance with the standards of the Public Spending Code.

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

The project is at an early stage at this point, it is noted that the Documents relevant to all stages of the project to date are available. More will be available as project progresses. The documentation is kept orderly on files.

As part of Monaghan County Council procurement procedures a Project Initiation Document (PID) should be prepared for all Capital projects. Progress reports on the project should issue to the MT for their information and attention.

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

- That a PID be prepared and reviewed as the project progresses.
- That regular reports issue to Monaghan County Council Management Team via the Corporate Assets department on the “Capital Projects Update” report and should include information on how ineligible and/over expenditure will be funded, should it occur.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Ulster Canal Greenway. The value of this project on the inventory is €5million and represents **3.47% of the total Capital inventory and is listed as *Expenditure being incurred***.

Monaghan County Council entered into a partnership with Waterways Ireland, Armagh Banbridge Craigavon Borough Council and East Border Region to deliver this Ulster Canal Greenway Project. The project will create 22km of new greenways between Smithborough, Co Monaghan and Middletown in Co Armagh. The majority of the route is in County Monaghan. Grant aid up to a maximum value of €4,950,672.00 has been approved by Special EU Programme Body (SEUPB), subject to conditions. This is to be spent and claimed by 30th June 2021 after which any remaining costs will be deemed to be ineligible for reimbursement.

In relation to the processes at this stage of the project, the relevant documentation is available and a project reporting system is in place. Regular meetings between the partners takes place with updates on the project. However, I would recommend that more regular updates be provided to Monaghan County Council Management Team as part of the “*Capital Projects Update*” report which is provided by the Corporate Assets department.

At end of 2018, €243,268.68 was spent with €193,808.05 income received in the Job code. Waterways Ireland are the lead partners and Monaghan County Council was assigned the role of budget holder. The procurement of the Design consultants has taken place and the appointment of the recommended design consultant is expected shortly.

When the design is agreed, a grant of planning permission will be required, land acquisition processes will need to take place where necessary and the actual construction of the greenway between Smithborough and Middletown must be completed within the agreed timeframe and budget.

A sample of documentation on files was examined as part of this review and those examined indicated **satisfactory compliance** with the Public Spending Code.

Internal Audit Recommendations.

| Internal Audit Recommendations (Ulster Canal Greenway Capital Project) | Proposed Actions / Actions undertaken. | Timeline for delivery | Section / Person responsible. | Comments from Management Team |
|--|--|---|--|-------------------------------|
| <p>1. That a PID be prepared and reviewed as the project progresses.</p> | <p>This will be done</p> | <p>Q2 2019</p> | <p>Project Manager</p> | <p>Agreed</p> |
| <p>2. That regular reports issue to Monaghan County Council Management Team via the Corporate Assets department on the "Capital Projects Update" report and should include information on how ineligible and/over expenditure will be funded, should it occur.</p> | <p>Noted, this will be done.</p> | <p>Ongoing, in each Corporate Assets report</p> | <p>Project Manger in conjunction with DoS Corporate Assets</p> | <p>Agreed</p> |