

Quality Assurance Report for 2019

Kilkenny County Council

**For Submission to NOAC in Compliance with the
Public Spending Code**

Contents

1. Introduction
2. Expenditure Analysis
3. Assessment of Compliance
4. Next Steps
5. Conclusion

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

Appendix 2: Self-Assessment Checklists

Appendix 3: Report Arising from In-Depth Checks of a Capital Project and Revenue Expenditure Subservice

1. Introduction

Kilkenny County Council has completed this Quality Assurance (QA) Report as part of its on-going compliance with the Public Spending Code (PSC).

The Quality Assurance procedure aims to gauge the extent to which Public Sector Bodies are meeting the obligations set out in the Public Spending code. The Public Spending code ensures that the state achieves value for money in the use of all public funds.

The Quality Assurance Process contains five steps:

1. Drawing up Inventories of all projects/programmes at different stages of the Project Life Cycle (appraisal, planning/design, implementation, post implementation). The three categories are expenditure being considered, expenditure being incurred and expenditure that has recently ended and the inventory includes all projects/programmes above €0.5m.
2. Publish summary information on the Council website of all procurements in excess of €10m, whether new, in progress or completed.
3. Checklists to be completed in respect of the different stages. These checklists allow Kilkenny County Council to self-assess

its compliance with the code in respect of the checklists which are provided through the PSC document.

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

A number of projects or programmes (averaging at least 5% of total capital spending over 3 years and over 1% of current)) are selected to be reviewed in more detail. This includes a review of all projects from ex-post to ex-ante.

5. Complete a short report which includes the inventory of all projects, the website reference for the publication of procurements above €10m, the completed checklists, the Council's judgement on the adequacy of processes given the findings from the in-depth checks and the Council's proposal to remedy any discovered inadequacies.

This report fulfils the requirement of the QA Process for Kilkenny County Council for 2019. This is the sixth year in which the QA process has applied. Projects and programmes which predate Circular 13/13 were subject to prevailing guidance covering public expenditure, e.g. the Capital Appraisal Guidelines 2005.

2. Expenditure Analysis

2.1 Inventory of Project/Programmes

This section details the inventory drawn up by Kilkenny County council in accordance with the guidance on the Quality Assurance process. The inventory lists all of the local authority's projects and programmes at various stages of the project life cycle with project values in excess of €0.5m. This inventory is divided between current and capital expenditure and between three categories:

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

Appendix 1 details Kilkenny County Councils compiled inventory for the year 2019.

Expenditure Being Considered

As the appendix outlines, there are a total of 43 projects being considered across the various spending and price categories. The primary area where projects are listed as being considered is between €0.5 and €5 million with 32 projects listed. There are 11 projects between €5 and €20 million and no individual

projects over €20 million. The full breakdown and description of these projects is listed in Appendix 1.

Expenditure Being Incurred

Appendix 1 also provides a summary of the inventory of expenditures above €0.5m being incurred by Kilkenny County Council. In total there are 65 projects or programmes which are currently incurring expenditure in excess of €0.5m. The majority of items are current expenditure. However, there are a number of ongoing Capital Projects that commenced in 2019. The full breakdown and description of these projects is listed in Appendix 1.

Expenditure Recently Ended

The final section of the table provides a summary of the inventory of expenditures above €0.5m recently completed by Kilkenny County Council. There are 9 projects that have recently ended which incurred expenditure of over €0.5m

2.2 Published Summary of Procurements

As part of the Quality Assurance process Kilkenny County Council has to publish summary information on our website on our

procurements over €10 million. No single item comes within that category for 2019.

3. Assessment of Compliance

3.1 Checklist Completion: Approach Taken and Results

The third step in the Quality Assurance process involves completing a set of checklists covering all expenditure. The high-level checks in Step 3 of the QA process are based on self-assessment by relevant budget holders, in respect of guidelines set out in the Public Spending Code. There are seven checklists in total:

Checklist 1: General Obligations not specific to individual projects/programmes

Checklist 2: Capital Projects or Capital Grant Schemes being considered

Checklist 3: Current expenditure being considered

Checklist 4: Capital Expenditure being incurred

Checklist 5: Current Expenditure being incurred

Checklist 6: Capital Expenditure completed

Checklist 7: Current expenditure completed

(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.

3.2 Main Issues Arising from Checklist Assessment

The completed check lists show the extent to which Kilkenny County Council believe they comply with the Public Spending Code.

With regard to expenditure being considered, no new current expenditure programmes were under consideration in 2019. The checklist for capital expenditure under consideration suggests good levels of compliance with PSC in general with

regard to areas such as appraisal, procurement and compliance with tendering procedures. For expenditure being incurred, again good levels of compliance are evident in checklist responses. With regard to checklists for expenditure completed in 2019, current expenditure programmes are primarily ongoing year-to-year programmes as agreed by elected members at budget time and are subject to ongoing monthly/quarterly budgetary reviews and annual audit rather than once off reviews.

3.3 In-Depth Checks

This section details the in-depth checks which were carried out by the Internal Auditor of Kilkenny County Council as part of the Public Spending Code. Appendix 3 details the methodology and conclusions of the checks on 1 significant capital project and 1 sub program of current expenditure. The check on the Capital Project analysed here –Phase 1 Housing Project at Croker’s Hill represents 5.41% of the Council’s overall capital inventory for 2019. The in-depth analysis of a sub program of current expenditure-Housing Loans - satisfies the requirement of checking over one per cent of the inventory for current expenditure in 2019.

4. Next Steps: Addressing Quality Assurance Issues

As stated in previous reports, organisations like Kilkenny County Council operate in a highly regulated environment and the process of identifying projects, seeking funding and engaging in public consultation for some requires them to adhere to the principles of the PSC before they can proceed with any significant project.

Training and further information sessions have taken place with relevant budget holders and Internal Audit to raise awareness and embed the requirements under the PSC within the organisation. However, there may be scope for a roll out at national level of more general training for project leaders. As this is the sixth year that local authorities are required to complete these reports, there is greater familiarity with the requirements of the PSC, particularly in those Departments where the in-depth assessment of projects happen.

The practice of compiling an inventory of projects and programmes is in place, thus enabling the Internal Audit function to select an appropriate sample of programmes for further assessment via the in-depth check process.

In previous years, the in-depth report on the selected projects has informed and assisted the Local Government Auditor in his work programme.

5. Conclusion

The inventory outlined in this report clearly lists the current and capital expenditure that is being considered, being incurred, and that has recently ended. Kilkenny County Council is aware of its requirement to publish details of procurements of over €10 million on its website. For 2019, there is no procurement which comes under this category. The checklists completed in this report following input from the relevant sections show a generally high level of compliance with the Public Spending Code. The in-depth checks carried out on a selection of programmes revealed no major issues which would cast doubt on Kilkenny County Council's compliance with the Code. Kilkenny County Council will focus on value for money at all stages of projects and as part of the budgetary process can ensure high levels of compliance with the Public Spending Code.

APPENDIX 1-INVENTORY OF PROJECTS/PROGRAMMES

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended		
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital			Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects
			€0.5 - €5m	€5 - €20m	€20m plus						
Kilkenny County Council kilkenny County Council											
Housing & Building											
DEV. AT CANAL RD, JOHNSTOWN – PROJECTS 1 / 2 / 3			€2,478,632.00								
HC 15/8 CONSTRUCTION OF 38 UNITS @ BOLTON CALLAN HOBAN PARK								€6,990,000.00			
HC 15/9 CONSTRUCTION OF 18 UNITS @ DONAGUILE CASTLECOMER								€7,600,000.00			
HC 16/28 MULHALLS SHOP OLD NEWPARK KILKENNY								€1,300,000.00			
HC 16/38 CONSTRUCTION 22 UNITS STATION AVENUE BALLYRAGGET								€4,600,000.00			
HC 16/39 CONSTRUCTION 18 UNITS PILTOWN								€3,700,000.00			
HC 17/09 HOUSING DEVELOPMENT @ CROKERS HILL, KK PHASE 1				€15,400,000.00							
HC 17/09 HOUSING DEVELOPMENT @ CROKERS HILL, KK PHASE 2				€9,100,000.00							
HC 17/29 DEVELOPMENT OF LAND AT LADYWELL, THOMASTOWN								€5,800,000.00			
HC 17/47 THE BROGUEMAKER INN PURCHASE & DEVELOPEMNT								€4,600,000.00			
HC 18/18 PURCHASE OF 6 HOUSES , MOONCOIN								€1,208,700.00			
HC 18/81 DIRECT BUILD 2 HOUSES ON EXISTING SITE AT JENKINSTOWN								€515,700.00			
HC18/17 CONSTRUCTION OF GROUP HOUSE AT CLOGHABRODY								€522,817.00			
HC19/11 PURCHASE OF 16 UNITS AT LWR KILMACOW								€4,125,000.00			
HC19/29 PURCHASE OLD WEATHER STATION, GRANGES RD, KILKENNY			€1,600,000.00								
HC19/38 PURCHASE 28/34 THE GREEN AYRFIELD								€1,600,000.00			
HC19/43 CONSTRUCTION 58 UNITS AT HEBRON ROAD								€16,200,000.00			
HC19/44 PURCHASE 4 X TURNKEY 18-21 LIMEGROVE, OAKRIDGE, FERRYBANK											€796,000.00
TURNKEY 17 UNITS LIMEGROVE NO'S 1 TO 17			€3,900,000.00								
SITE NO 2 LADYWELL THOMASTOWN HOUSING				€7,700,000.00							
HC20/01 TURNKEY 8 UNITS PENNEFEATHER COURT, HEBRON ROAD								€1,916,000.00			
TURNKEY 4 UNITS MAIN ST PILTOWN			€900,000.00								
GROUP HOME AT ROBERTSHILL KILKENNY			€550,000.00								
115H689C ST. CATHERINE'S HS PHASE 2 (4 UNITS)											€657,644.00
HC20/17 TURNKEY 19 UNITS TOBERNAPEISTE, FRESHFORD			€4,750,000.00								
TURNKEY - BALLYBOUGH ST NEWPARK & UNITS											€2,851,000.00
VH81 FOCUS IRELAND PURCHASES											€700,050.00
VH90 - 5 UNITS AT GRENNAN VILLA, THOMASTOWN			€776,151.00					€238,686.00			

SHERMANS (BALLYRAGGET) HISTORIC LANDFILL									1330787
KILKENNY (DUNMORE) RECREATIONAL & BIODIVERSITY PARK			€500000+						
E02 OP & MTCE OF RECOVERY & RECYCLING FACILITIES						€1,069,386.00			
E05 LITTER MANAGEMENT						€561,115.00			
E06 STREET CLEANING						€1,772,747.00			
E11 OPERATION OF FIRE SERVICES						€4,398,580.00			
E13 WATER QUALITY, AIR & NOISE POLLUTION						€1,868,954.00			
Recreation and Amenity									
NEW LIBRARY DEVELOPMENT - KILKENNY CITY				€6,800,000.00					
COMM & CULTURAL FACILITIES CAPITAL GRANT SCHEME			€750,000.00						
COMMUNITY PARK FERRYBANK							€700,000.00		
BUTLER GALLERY - EVANS HOME							€6,300,000.00		
SOUTH KK GREENWAY NEWROSS/WATERFORD - KCC FUNDING REQUIREMENT							€3,000,000.00		
MEDIEVAL MILE BY NIGHT			€730,000.00						
SESSIONS HOUSE, THOMASTOWN			€1,400,000.00						
THOMASTOWN LIBRARY			€2,900,000.00						
F02 OPERATION OF LIBRARY & ARCHIVAL SERVICE						€2,935,701.00			
F03 OP, MTCE & IMP OF OUTDOOR LEISURE AREAS						€2,958,016.00			
F05 OPERATION OF ARTS PROGRAMME						€715,054.00			
Agriculture, Education, Health and Welfare									
G04 VETERINARY SERVICE						€642,447.00			
[Insert other category/s if required]									
SOFTWARE LICENSES							€524,771.00		
Miscellaneous Services									
H03 ADMINISTRATION OF RATES						€2,996,602.00			
H09 LOVAL REPRESENTATIVE/CIVIC LEADERSHIP						€1,182,062.00			
H10 MOTOR TAXATION						€642,655.00			
H11 AGENCY & RECOUPALE SERVICES						€677,145.00			

APPENDIX 2-CHECKLIST ASSESSMENT

Kilkenny 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	Discussion/Action Required
1.1 Does the local authority ensure, on an on-going basis, that appropriate people within the authority and its agencies are aware of the requirements of the Public Spending Code (incl. through training)?	2	As the requirements of the code are raised at various Management Team Meetings, the management team are familiar with the content and aims of the code. Through contact and information sharing between the coordinator and project leaders, budget holders are aware of the requirements of the public spending code. The PSC informs the decision-making process at all stages of a new or planned project.
1.2 Has training on the Public Spending Code been provided to relevant staff within the authority?	2	Yes
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, from the Head of Finance subcommittee of the CCMA
1.4 Has the local authority in its role as Sanctioning Authority satisfied itself that agencies that its funds comply with the Public Spending Code?	2	Yes
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies?	2	Yes

1.6 Have recommendations from previous QA reports been acted upon?	2	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
1.8 Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP?	3	Yes
1.9 Is there a process in place to plan for ex post evaluations/Post Project Reviews? Ex-post evaluation is conducted after a certain period has passed since the completion of a target project with emphasis on the effectiveness and sustainability of the project.	3	
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?	2	NA
1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews?	2	NOAC Report Coordinator has recommended to the internal auditor to include follow ups to previous reports as part of their Annual Work Programme
1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions?	1	See above

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	In progress – 1 project
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	2	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	In progress
2.7 Were the NDFA consulted for projects costing more than €20m?	2	In progress
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	Not Applicable to Local Government
2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	Yes
2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date?	2	Yes, each project that has progressed to Tender stage would have a detailed specification including objectives with expected timescale
2.14 Have steps been put in place to gather performance indicator data?	2	Yes

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	Yes, as part of the annual budget and annual work programme
3.2 Are objectives measurable in quantitative terms?	2	Objectives can be measured by performance indicators and review of annual work programme
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	n/a	No item in the inventory comes under this category
3.4 Was an appropriate appraisal method used?	N/A	No item in the inventory comes under this category
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	No	The items falling into this category are either an ongoing essential function of the local authority e.g. Road Maintenance /Improvement or a national scheme whose functionality is carried out at local level, e.g. RAS Scheme
3.6 Did the business case include a section on piloting?	N/A	See above
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	See above
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	See above
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	N/A	No item in the inventory comes under this category
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	3	Yes – RAS housing units
3.11 Was the required approval granted?	3	Yes

3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?		N/A
3.13 If outsourcing was involved were procurement rules complied with?	3	Yes
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?	2	National KPI's
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	Relevant teams within sections meet on regular basis
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	Project coordinator appointed for projects >€5M and for many other projects. Internal coordination teams, with an identified staff member taking ownership of the project in place in other instances.
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	Staff at appropriate level are given responsibility for specific projects
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Management Accounts are produced monthly. Progress reports are produced for all significant projects. Elected members appraised regularly through the CE's monthly report.
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	2	NA

4.7 Did budgets have to be adjusted?	3	N/A
4.8 Were decisions on changes to budgets / time schedules made promptly?	3	N/A
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	N/A
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?		N/A
4.11 If costs increased was approval received from the Sanctioning Authority?	3	Yes
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	The three-year capital budget is reviewed on an annual basis having regard to changing circumstances. Should the budgeted funding not meet projections or local or national priorities change, projects may be adjusted or postponed accordingly

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

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
5.1 Are there clear objectives for all areas of current expenditure?	3	Yes. Annual spending programme reflects core objectives and team plans of each section
5.2 Are outputs well defined?	3	Yes
5.3 Are outputs quantified on a regular basis?	3	Yes. Annual K.P.'s for each specific service
5.4 Is there a method for monitoring efficiency on an on-going basis?	3	Service indicators, Department Returns, returns to DPER, annual team plans & Internal Review
5.5 Are outcomes well defined?	3	Yes
5.6 Are outcomes quantified on a regular basis?	3	Yes. Review of Annual Service Plans, monthly reports from the CE to the Elected Members.

5.7 Are unit costings compiled for performance monitoring?	3	No
5.8 Are other data compiled to monitor performance?	2	Monthly management accounts, individual reports on jobs through the Agresso financial system, KPI's
5.9 Is there a method for monitoring effectiveness on an on-going basis?	2	Team meetings, Management meetings, feedback from Elected Members and through engaging with the public.
5.10 Has the organisation engaged in any other 'evaluation proofing' ¹ of programmes/projects?	2	Internal audit, Internal Audit Committee

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?	1	N/A
6.2 Was a post project review completed for all projects/programmes exceeding €20m?		N/A
6.3 Was a post project review completed for all capital grant schemes where the scheme both (1) had an annual value in excess of €30m and (2) where scheme duration was five years or more?		N/A
6.4 Aside from projects over €20m and grant schemes over €30m, was the requirement to review 5% (Value) of all other projects adhered to?	3	Yes
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?	2	NOAC Report Coordinator has advised internal auditor to include follow ups to previous reports as part of their Annual Work Programme
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
6.7 Were changes made to practices in light of lessons learned from post-project reviews?		N/A
6.8 Were project reviews carried out by staffing resources independent of project implementation?	2	N/A

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

Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued	Self-Assessed Compliance	Comment/Action Required
7.1 Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	No programmes relevant to PSC in 2019
7.2 Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes relevant to PSC in 2019

7.3 Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes relevant to PSC in 2019	
7.4 Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No programmes relevant to PSC in 2019	
7.5 Were any programmes discontinued following a review of a current expenditure programme?	N/A	No programmes relevant to PSC in 2019	
7.6 Were reviews carried out by staffing resources independent of project implementation?	N/A	No programmes relevant to PSC in 2019	
7.7 Were changes made to the organisation's practices in light of lessons learned from reviews?	N/A	No programmes relevant to PSC in 2019	

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 CHECKS

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	Crokers Hill, Kennyswell Rd., Kilkenny Phase 1 (51 Units)
Detail	Capital project to construct 51 Social Housing Units at Crokers Hill Kilkenny
Responsible Body	Kilkenny County Council
Current Status	Expenditure Being Considered
Start Date	Currently at tender stage
End Date	
Overall Cost	€13.39million

Project Description

The project involves the construction of 51 residential units in Cokershill, Kilkenny. This is the first phase of a total of 86 units which are proposed in this scheme. The target cost of this phase of the project is €13.39million.

In 2017, Kilkenny County Council purchased 2.34 hectares of land at Crokershill, Kilkenny. This is a Greenfield site located in the western environs of Kilkenny City. An additional area of 0.14 acres, containing a disused pumping station is already owned by Kilkenny County Council and can be added to the site. The site is zoned "Phase 1 Residential" under the City and Environs Development Plan.

Stage 1 Approval for 80 units at an estimated cost of €13.7million was originally approved by the Department of Housing, Planning and Local Government in June 2017. Following Stage 1 approval, it was decided to split the scheme into two phases. Stage 2 approval for €13.39million was received in June 2019 for Phase 1 of the project for the construction of 51 units.

Kilkenny County Council applied for planning permission for the full project to An Bord Pleanala under Section 177AE of the Planning and Development Act 2000-2010 as a Natura Impact Statement was required for this development. Permission was received from An Bord Pleanala in January 2020.

A design team was appointed in December 2017. Tender documents are currently being prepared to appoint a main contractor. The proposed start date is Q1 2021 and estimated completion date is Q2 2022.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit have completed a Programme Logic Model (PLM) for the Housing Project at Crokershill, Kilkenny. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> To provide good quality houses for approved housing applicants on housing waiting list. To ensure value for money is achieved. To ensure houses are suitable for the needs of people on waiting list. 	<ul style="list-style-type: none"> A budget of approx. €13.39m. An in-house project team managing the project. Preparing funding applications to the Dept. for approval. Procuring an Architect led Design Team and Contractor. – Management & Liaison with Design Team, Management of works contract and provision of on-site supervision Payment of invoices and recoupment of funds from Department. Monitoring spend and ensure budget adherence. 	<ul style="list-style-type: none"> Preparing funding applications to the Department for approval. Procuring an Architect led Design Team and Contractor. Payment of invoices and recoupment of funds from Department. Monitoring spend and ensure budget adherence. 	<ul style="list-style-type: none"> 51 No. houses of good quality and suitable to needs of potential tenants. 	<ul style="list-style-type: none"> Providing good quality social houses for people of Kilkenny who are not in a position to provide their own accommodation. Assist in creating a positive community spirit.

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

The following section tracks the Housing Project at Crokershill, Kilkenny from inception to conclusion in terms of major project/programme milestones



Feb 2017	Kilkenny County Council purchased 2.34 hectares of land at Crokershill, Kilkenny.
June 2017	Stage 1 Approval received from the Dept. of Housing, Planning, Community and Local Government.
December 2017	Appointment of Design Team services
June 2019	Stage 2 Approval received for 51 units with a target budget of €13.39million.
Jan 2020	Planning Permission approved by An Bord Pleanala

Section B - Step 3: Analysis of Key Documents

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

Project/Programme Key Documents	
Title	Details
Rebuilding Ireland – Action Plan for Housing and Homelessness	National Target to provide 50,000 new social housing units to 2021
Preliminary Proposal Report	Preliminary Proposal Report prepared by Kilkenny County Council and submitted to Dept. of Housing, Planning, Community and Local Government
Stage 1 Approval in Principle	Stage 1 Provisional Approval received from DoHPCLG
CE Order appointing design team services	Tender assessment report and order from CE appointing successful tender.
Stage 2 Approval	Approval for 51 units with a target budget of €13.39million.

Key Document 1: Rebuilding Ireland – Action Plan for Housing and Homelessness

Rebuilding Ireland – Action Plan for Housing and Homelessness was published by the Dept. of Housing, Planning, Community and Local Government in 2016. One of the core pillars of the plan is to provide 50,000 new social housing units by 2021 to meet the social housing supply requirements.

Key Document 2: Preliminary Proposal Report

Proposal to Dept. of Housing, Planning, Community and Local Government outlining the following:

- Objective of the project
- Specific Housing Need in the area
- Alternative options to meet the demand for social housing in the area
- Project proposal including outline design proposal
- Management of project
- Estimated budget costs
- Expected timelines

Key Document 3: Stage 1 Approval in Principle

Approval was received from the Department for construction of 80 units at Crokershill, Kilkenny at an estimated cost of €13.7million. The approval letter outlined that the four critical stages for evaluation and approval:

- Stage 1: Confirm approval for design expenditure.
- Stage 2: Assess project prior to statutory approval.
- Stage 3: Approve detailed design: review pre-tender cost check.
- Stage 4: Review tender returns in advance of awarding the contract.

Key Document 4: CE Order appointing Full Design Team services.

Tender was published by the OGP on e-tenders on the 20th September 2017. On 30th November 2017, an assessment board appointed by Kilkenny County Council examined the four tenders received. Following an assessment of the tenders received the contract was awarded to the most economically advantageous tender who achieved the highest score as calculated in accordance with the stated award criteria.

Key Document 4: Stage 2 Approval

Approval was received from the Department for construction of 51 units at Crokershill, Kilkenny with a target budget of €13.39million.

Section B - Step 4: Data Audit

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

Data Required	Use	Availability
Preliminary Proposal Report	Assess if project was appraised.	Yes
Funding applications to the Dept.	Assess if funding was sanctioned.	Yes
Report on tenders for design team	Assess procurement process.	Yes

Data Availability and Proposed Next Steps

The necessary data is available on file to evaluate this project. There was preliminary proposal report prepared to appraise this development. The main objective of this project is to provide accommodation to people on the housing list and to develop a sustainable, inclusive community. Tender documents are currently being prepared to appoint a main contractor. An assessment on the suitability of the houses can only be assessed over a longer period of time. I would recommend that future post project reviews would include a process that will help to evaluate the suitability of the houses and the social benefits gained such as improvement in the tenant's quality of life and a positive community atmosphere.

On completion of the project, a Final Account detailing the total expenditure will be sent to the Department of Housing, Planning, Community and Local Government to enable a final draw down of funding. This financial information will be available from the Financial Management System.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Housing Project at Crokershill, Kilkenny 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 still at the Appraisal stage of the project life cycle. Stage 2 approval has been received from the Department of Housing, Planning, Community and Local Government.

This allows for the council to invite tenders for the project. The construction of social housing is in line with national policy. It is one of the key pillars of the policy document Rebuilding Ireland. As is the case nationally, the demand for social housing in County Kilkenny is high with approx. 2,000 applicants on the housing waiting list.

A preliminary project proposal was prepared for this development. The project proposal outlined the objective and the need for the development. Alternative means of meeting the accommodation needs in the area are also included. It is important to note that the preliminary project proposal was prepared prior to the decision to split the project into two phases. The appraisal method used is inadequate for a project of this scale. Under the terms

of the Public Spending Code, a Multi Criteria Analysis (MCA) should be carried out at a minimum for projects between €5 million and €20 million. The target budget for Phase 1 of the project is €13.39 million for the construction of 51 units. It is proposed to construct a further 35 units under Phase 2 of the project. It is highly likely that this will bring the total cost of the overall project to over €20 million. Projects over €20 million should be subjected to a Cost Benefit Analysis (CBA) or Cost Effectiveness Analysis (CEA). Prior to Approval in Principle, the CBA or CEE should be submitted to the Central Expenditure Evaluation Unit in the Dept. of Public Expenditure & Reform for their views.

The preliminary project proposal outlines the Project Management Strategy and lists the staff who will be responsible for the management of the project. Further detail will be required in this area. Formal arrangements need to be prepared outlining the attendance and frequency of Project Management meetings. Project milestones should be developed. Regular reports should be submitted to management to ensure milestones are being met and expenditure is within budget. Constraints and risks to the successful completion of the project should also be included in the project brief.

Finally, details of how the project is going to be evaluated on completion should be prepared. Under the Public Spending Code, a Post Project review is required on all projects greater than €20 million. While the budget for Phase 1 of this project is less than €20million, I recommend that a Post Project review should be carried out to enable improvements to the processes and management of Phase 2 and future projects.

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

This project is still at the appraisal stage. A preliminary proposal is available on file. As outlined in the previous paragraph, a more comprehensive appraisal should be carried out on a project of this size. Stage 1 and stage 2 funding applications are available. Tender documents are currently being prepared. A detailed tender assessment report should be available on completion of the process. A project management strategy has been prepared. Reports and minutes of project management team should be kept on file. A post project review should also be carried out to allow for a full evaluation of the project.

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

As already outlined, an adequate appraisal of this project was not carried out. Under the terms of the Public Spending Code, a Multi Criteria Analysis (MCA) should be carried out for projects between €5 million and €20 million. Projects over €20 million should be subjected to a Cost Benefit Analysis (CBA) or Cost Effectiveness Analysis (CEA). The appraisal should explore the options available and the objectives of the development. Risks and constraints should also be identified along with the process for managing the project.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the Housing Project at Crokershill, Kilkenny.

Summary of In-Depth Check

It is important to point out that the construction of social housing is in line with national and local housing policy and there is an obvious housing need in the area. The houses are to be built on land in the ownership of Kilkenny County Council and zoned for residential development. Procurement and planning guidelines were all complied with and authorisation was received from the Department at the approval stages.

This project was initially approved by the Department of Housing, Planning, Community and Local Government as an 80-unit construction with an estimated budget of €13.7 million. Kilkenny County Council then decided to split the project into two phases. 51 units would be constructed under Phase 1 with a further 35 units being proposed for Phase 2. Stage 2 approval was received for Phase 1 with a target budget of €13.39 million. Under the Public Spending Code, a project of this scale should be appraised using a Multi Criteria Analysis (MCA) at a minimum. However, the likely combined budget of Phase 1 and Phase 2 will be greater than €20 million. Projects over €20 million should be subjected to a Cost Benefit Analysis (CBA) or Cost Effectiveness Analysis (CEA). Prior to Approval in Principle, the CBA or CEE should be submitted to the Central Expenditure Evaluation Unit in the Dept. of Public Expenditure & Reform for their views. The splitting of a project into two separate phases should not negate the obligations outlined in the Public Spending Code.

As construction work has not commenced on this project, Internal Audit cannot evaluate compliance with implementation or post implementation stages of the Public Spending Code. It is important that procedures are in place to manage the project such as reporting procedures to management on milestones being met and budgets being adhered to. I would recommend that a post project evaluation be carried out within a specific time frame after the tenants have moved in to the houses. Its purpose should evaluate whether project objectives were met, to determine how effectively the project was run, to learn lessons for the future, and to ensure that the organization gets the greatest possible benefit from the project.

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	Rebuilding Ireland Home Loans
Detail	A Rebuilding Ireland Home Loan is a Government backed mortgage for first time buyers, available nationwide from local authorities. It can be used to purchase a new or second-hand property or for self-build.
Responsible Body	Kilkenny County Council
Current Status	Expenditure Being Incurred
Start Date	Recurring annual costs
End Date	Recurring annual costs
Overall Cost	€2.8m

Project Description

A Rebuilding Ireland Home Loan is a Government backed mortgage for first time buyers, available nationwide from local authorities. Kilkenny County Council administer the loan for properties in County Kilkenny It can be used to purchase a new or second-hand property or for self-build.


Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit has completed a Programme Logic Model (PLM) for Rebuilding Ireland Home Loan programme.

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> • To facilitate credit worthy first-time buyers to access sustainable mortgage lending to purchase new or second-hand properties in a suitable price range. • To provide an alternative social housing support option. 	<ul style="list-style-type: none"> • Expenditure of approx. €2.8m per year with finance being provided by the HFA. • Staff of 3.8 fte to manage and implement the scheme. 	<ul style="list-style-type: none"> • Processing loan applications and validating supporting documentation. • Referring validated application to the Housing Agency for assessment and approval. • Referring application and decision of Housing Agency to Kilkenny County Councils Credit Committee for decision. • Notifying applicants of final decision. • Property is inspected by councils technical staff. • Arrange for councils solicitors to prepare legal documentation. • Inputting loan details into accounts system. • Collection of tenant's contributions. • Recoupment of costs from Dept. 	<ul style="list-style-type: none"> • There were 21 Rebuilding Ireland Loans drawn down in 2018 totalling €2.8m. 	<ul style="list-style-type: none"> • Providing first-time buyers with access to mortgage finance with a low rate of fixed interest that they may not otherwise have been able to afford at a higher interest rate.

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

The following section tracks a typical housing grant application from inception to conclusion in terms of major project/programme milestones



Application Process	<p>Loan applications are submitted to Housing Loan Section. The application is recorded and validated. The application is issued to the Housing Agency for approval if eligibility criteria have been met. The decision of the Housing Agency is reviewed by Kilkenny County Councils Credit Committee. If application is declined, a letter is issued to applicants outlining reasons for refusal.</p>
Processing Loan	<p>Approved applicants are issued with an Approval in Principle Certificate advising to forward additional documentation including Valuation Report, BER Cert, Sales Advice Note etc. Technical staff also carry out an inspection of property. Interest Option Letter – this is sent to the applicants to let them know the interest rate of loan, the term of the loan and repayments. They must return this letter – signed and accepting the loan along with the Buildings Insurance and Mortgage Protection Insurance. Signed letter of Loan Offer is issued to the councils solicitors to prepare loan documentation.</p>
Loan Maintenance	<p>Loan is drawn down and loan details are set up on financial management system. Customers are advised of their monthly repayments. Repayments are monitored by the Finance Dept.</p>

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Rebuilding Ireland Home Loan.

Project/Programme Key Documents	
Title	Details
Housing (Miscellaneous Provisions) Act 2009	The Housing (Miscellaneous Provisions) Act 2009 amends and extends the Housing Acts 1966 to 2004.
Housing (Rebuilding Ireland Home Loans) Regulations 2018	These Regulations provide for the provision of loan finance by local authorities to eligible first-time buyers for the acquisition of new or existing houses, or for the construction of houses
Rebuilding Ireland Home Loan Application Form	Application form for Rebuilding Ireland Home Loan
Kilkenny County Council Home Loan Procedure Manual	Detailed procedures on the application process for Rebuilding Ireland Home loans
Financial Management System Debtors Reports	Analysis of repayments of home loans.

Section B - Step 4: Data Audit

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

Data Required	Use	Availability
Rebuilding Ireland Home Loan Application Files	To certify that applications meet the eligibility criteria set out in the guidelines. To ensure proper authorisation procedures have been met.	Yes – Available from Housing Dept.
Customer Loan Accounts	To assess if correct loan drawdown procedures have been adhered to.	Yes – Available from FMS
Debtors Reports	To assess that procedures are in place to ensure loans are being repaid as agreed in the terms of the loan.	Yes – Available from FMS

Data Availability and Proposed Next Steps

All files requested were available to Internal Audit at the time of review.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for 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)

Rebuilding Ireland Home Loan is an annual current expenditure programme. Applications are assessed and processed by the Housing Loans section in the Housing Dept. The Rebuilding Ireland Home Loan scheme is a national programme and the terms of the scheme are included in the Department guidelines to local authorities.

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 sufficient data available to evaluate the Rebuilding Ireland Home Loan programme.

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

The guidelines issued by the Dept. ensure adherence to the Public Spending Code.

Robust approval procedures are in place with an external approval process by the Housing Agency and an internal process by the Credit Committee.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the RAS Programme.

Summary of In-Depth Check

The operation of Rebuilding Ireland Home Loans programme complies with the principals of the Public Spending Code.

There is sufficient data available to evaluate the Rebuilding Ireland Home Loan programme.

The guidelines issued by the Dept. ensure adherence to the Public Spending Code.

Robust approval procedures are in place with an external approval process by the Housing Agency and an internal process by the Credit Committee.

