

Public Spending Code (PSC) Quality Assurance Requirements

A Guidance Note for the Local Government Sector

Version 4

February 2021

1. Introduction

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

In July 2019 the Public Spending Code was amended to update the central technical references and economic appraisal parameters in the Spending Code. In December 2019 the Public Spending Code was further amended as it applies to capital expenditure, updated the Guidelines for the use of PPPs and consolidated the Public Spending Code guidance on the website of the Department of Public Expenditure and Reform.

The requirements in the Public Spending Code (PSC) are based on employing good practices at all stages of the expenditure life cycle. Every organisation needs to assure itself that the expenditure practices it employs are of an acceptable standard, that it consistently maintains these standards and if there are deficiencies that they are identified and addressed. Departments and other public service organisations also need to assure themselves that the expenditure practices employed by organisations reporting to them and to whom they may provide funding are of an appropriate standard.

All Government Departments, Local Authorities, the Health Service Executive, public bodies and all bodies in receipt of public funding must comply, as appropriate, with the relevant requirements of the Public Spending Code. In the case of State Companies, the Board of each must satisfy itself annually that the Company is in full compliance with the Code.

The Public Spending Code was written specifically with Government Departments in mind and some of the terminology is very specific to that sector. This Guidance Note, prepared and updated by the CCMA Finance Committee, discusses each stage of Quality Assurance requirements providing interpretations from a Local Government perspective.

This edition is the fourth version of the guidance and has been updated following agreement with DPER on the contents and approach by Local Authorities. The primary changes in this version are:

- Reference to revised Project Lifecycle set out in the revised PSC
- Revisions in Capital Checklists No 2 and 6.
- Replacement of Project Inventory to align with DPER version

These Guidance Notes may be further updated from time to time as the need arises. Where updates for the PSC are issued by DPER it has been agreed that the proposed changes will be channelled through the CCMA Finance Committee in order to facilitate relevant and timely changes to the LG Sector Guidelines

2. Purpose of the Guidance Note

This Guidance Note will focus on the Quality Assurance element of the PSC with particular emphasis on:

- o Highlighting the basic principles applicable under the PSC and to offer a definition of these principles from a local government perspective.
- o Summarising “new” elements introduced by the PSC in order to facilitate a fuller understanding of these requirements from a local government perspective.
- o Examining reporting and publication requirements with particular emphasis on the Quality Assurance element introduced by the PSC.
- o To provide guidance to the Local Government Sector on the Quality Assurance process, including interpretation of key terms relevant in a Local Government context.
- o To support consistency of approach and interpretation across the Local Government Sector.

The Project Lifecycle refers to the series of steps and activities which are necessary to take the proposal from concept to completion and evaluation. Projects vary in size and complexity but all projects can be mapped to the following project lifecycle structure. There are six stages in the lifecycle:

- ✓ Strategic Assessment
- ✓ Preliminary Business Case
- ✓ Final Business Case (including design, procurement strategy and tendering)
- ✓ Implementation
- ✓ Review
- ✓ Ex-Post Evaluation

Previous PSC guidance referenced a four stage project lifecycle. The current version of the PSC Guide reflects a revised lifecycle which better aligns with the realities of project delivery. Previous guidance was focused primarily on the economic appraisal of capital projects. The updated PSC Guide maintains the focus on appraisal but broadens to highlight the importance of rigorous project preparation, earlier engagement with aspects of design and delivery, more informed approaches to costing and fuller consideration of risk. There is also a greater focus on affordability and financial feasibility. Finally, the revised lifecycle will facilitate better central monitoring of public investment delivery and alignment with the Investment Projects and Programmes Tracker.

The Public Spending Code (PSC) imposes obligations, at all stages of the project/programme lifecycle on organisations that spend public money. These obligations apply to the Sponsoring Agencies (bodies with primary responsibility for evaluating, planning and managing public investment

projects/programmes) and Approving Authorities (bodies funding projects/programmes, usually Government Departments).

All PSC guides can be accessed on the Department of Public Expenditure and Reform website at <https://www.gov.ie/en/publication/public-spending-code/>

It is not the intention of this report to examine the requirements of each stage of the life cycle as the PSC code and associated guide documents are largely self-explanatory in this regard. In addition the provisions are based on best practices already in place and well grounded in local government. However, it is critical to the delivery of the requirements of the Public Spending Code that Spending Departments in Local Government fully understand and meet the obligations under the Public Spending Code. As Accounting Officers for the organisation the Chief Executive, in the context of PSC returns, is responsible for ensuring compliance with the Public Spending Code.

3. Principles of the PSC

The following are basic principles established for the application of the PSC

- ✓ The Public Spending Code imposes obligations, at all stages of the project/programme life-cycle on organisations that spend public money.
- ✓ The Code applies to both Capital and Current expenditure and sets out to explain what is required of public service managers at different points of the expenditure lifecycle and advises how to fulfil those requirements.
- ✓ The Public Spending Code - A Guide to Evaluating, Planning and Managing Current Expenditure Paragraph 1.1 provides a distinction between Capital and Current Expenditure. It states that
 - o Capital spending generally involves the creation of an asset where benefits accrue to the public over time e.g. a road, a rail line, a school or a hospital and
- ✓ Current expenditure involves day to day expenditure i.e. Revenue Expenditure, and typically includes spending on:
 - o Salaries of public servants involved in delivering public services.
 - o Non-pay costs such as materials (drugs, teaching materials etc.) and administrative overheads as well as other commercially procured products and services.
 - o Income support for targeted groups
 - o Grant payments to achieve specific economic and/or social objectives.
 - o Payments for services carried out by professionals (e.g. training etc.) or other business sectors.

- ✓ The Public Spending Code - A Guide to Evaluating, Planning and Managing Current Expenditure Paragraph 4.11 offers a more informative explanation of the requirements for current expenditure, where it states:
 “the obligations for appraising new current expenditure proposals do not apply automatically to the broad range of existing current expenditure schemes i.e. it is not intended that all existing programmes must be appraised each year as this would be highly resource-intensive and the VFMPR/FPA arrangements set out in the Public Spending Code - Value for Money Review and Focused Policy Assessment Guidelines, January 2018 apply instead to ongoing expenditure. Similarly, it is not intended that these arrangements for appraisal of new current expenditure apply to routine administrative budgets already in place as the focus is on new programme expenditure. However, as pointed out at section 3.2 (in The Public Spending Code - A Guide to Evaluating, Planning and Managing Current Expenditure) any proposed extension, renewal or re-orientation of existing schemes should be informed by expenditure appraisals.”
- ✓ Elements of the Public Spending Code apply to any project or programme that:
 - ✓ May incur expenditure in the near future (Appraisal, Planning)
 - ✓ Is currently incurring expenditure (Management, Monitoring, Evaluation)
 - ✓ Has incurred expenditure in the recent past (Review, Evaluation)
- ✓ The Code refers to the Sanctioning Authority and the Sponsoring Agency
 - ✓ The Sanctioning Authority is responsible for granting the approvals required as projects/schemes, funded with public assistance, proceed through the project/expenditure life cycle.
 - ✓ The Sponsoring Agency has the overall responsibility for the proper appraisal, planning and management of projects/schemes (incl. current expenditure). Sponsoring Agencies are also responsible for post-project review. (The Sponsoring Agency may be a Government Department, local authority, health agency, University or other State body.)

Put simply these definitions seem to suggest that:

- ☐ The Sanctioning Authority is the Organisation allocating the grants/public monies for projects.
- ☐ The Sponsoring Agency is the Organisation spending the grant/public monies received.

ICT projects: The principles and guidelines in the Public Spending Code apply to all expenditure including expenditure on ICT. ICT projects are subject to some specific additional requirements.

Application of PSC principles in a local government context:

- o All local government expenditure is funded by public money whether this is by way of grant funding, rates, local property tax or service charges.
- o Current expenditure can be defined as Revenue Expenditure which is formally adopted by Council Members each year in the statutory budget process.
- o Capital Expenditure is project based and largely funded through capital grants, development levies and borrowing.
- o Local Authorities can be both the Sanctioning and Sponsoring Agency under the terms of the PSC.
- o Local Authorities will primarily be Sponsoring Agencies but where the local authority allocates grant funding to persons, other bodies, including community groups/facilities at a level that is subject to the requirements of the PSC they will also assume the responsibilities of a Sanctioning Authority for such payments.
- o Capital Expenditure within LAs is project based and applying the principles of the PSC are relatively straightforward in this spending area.
- o With regard to current expenditure the PSC confirms that the appraisal requirements do not apply to routine administrative budgets already in place and that the focus of the code will be on new or extending programme expenditure. Therefore only new or extended current expenditure to the value of €0.5m or greater will be subject to the application of the code from the date of implementation of the PSC within Local Authorities.

4. QA Reporting requirements

The PSC sets out a number of reporting requirements at the various stages of the Expenditure Life Cycle of a project or programme

As this Guidance Note is specifically focusing on the Quality Assurance requirements of the Public Spending Code the following paragraphs will only address the reporting requirements associated with the Quality Assurance element of the code.

Quality Assurance Reporting

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

This new obligation involves a 5 step process as follows:

- o Step 1 - Draw up inventories of projects/programmes at the different stages of the Project Life Cycle. The person responsible for the Quality Assurance process should be satisfied that they have a full and complete inventory.
- o Step 2 - The Organisation should publish summary information on its website of all procurements in excess of €10m, related to projects in progress or completed in the year under review. A new project may become a “project

in progress” during the year under review if the procurement process is completed and a contract is signed.

- o **Step 3** - Complete the 7 checklists contained in the PSC. Only one of each checklist per Department/Agency/Local Authority is required. Checklists are not required for each project/programme. The QA process for verifying the accuracy of responses on the checklist is based on a sample of projects/programmes and is Step 4 of the process.
- o **Step 4** - Carry out a more in-depth check on a small number of selected projects/programmes.
- o **Step 5** - Complete a short summary report for the National Oversight and Audit Commission (NOAC). The report, which will be generated as a matter of course through compliance with steps 1-4, should be submitted by the end of May in respect of the previous calendar year.

While the PSC suggests the Finance Unit is best placed to complete at least 4 of the 5 steps in the Quality Assurance element of the Code the local government sector are of the view that the following approach is more appropriate for the sector.

QA Step		Assigned to:	Data Provided by
Step 1	Project Inventory	Coordinator (Assigned by CE)	Project/Programme Owners within the organisation
Step 2	Publish Summary Information of procurement in excess of €10m on Website	Procurement Officer	Project Inventory
Step 3	Complete PSC Checklists for overall LA.	Coordinator (Assigned by CE)	Compliance Statement provided by Project/Programme Owners within the organisation
Step 4	In depth check on a small number of selected projects	Internal Audit	Evidence provided by Project/Programme Owners within the organisation
Step 5	Complete summary report for NOAC	Drafted by Coordinator (Assigned by CE) Signed by CE	Steps 1 – 4

Each step in the QA reporting process will now be discussed further in terms of the specifics of the requirement:

Step 1 Project Inventory

This report needs to include all relevant projects under 3 categories. These categories and the required inclusions in each category are set out in the table below. To assist with completion of the inventory a simple explanatory template is also included in Appendix A. NOAC have issued an excel version of their preferred

format for the Project Inventory and a copy of this is included in Appendix B for reference. Completed inventories must be submitted on the excel format.

Capital Grant Schemes relate to Projects (recorded in the capital account) where expenditure relates to payments on the foot of grant applications from individuals/groups to the local authority e.g. Housing Aids for the elderly. It has been agreed with DPER that the Capital Grant Scheme element of the Project Inventory will only be used in exceptional circumstances where a LA commences its own grant scheme or primarily funds such a scheme as all other grant schemes are related to schemes commenced at Departmental level and are to be accounted for in the 'capital programmes' column of the QA inventory.

The treatment of Capital Grant Schemes within the Project Inventory can therefore be clarified as follows:

1. Where a Capital Grant Scheme is 100% funded by Government Grant – Project Cost to be included under Capital Programme
2. Where a Capital Grant Scheme is 100% funded by the Local Authority – Project Cost to be included under Capital Grant Scheme
3. Where a Capital Grant Scheme is primarily funded by Government Grant with an element of local funding – Project Cost to be included under Capital Programme with a note made for each element funded by own resources e.g. Includes 20% local funding; and
4. Where a Capital Grant Scheme is primarily funded by Local Funding with an element of government grant funding – Project Cost is to be recorded under Capital Grant Scheme with a note made for each element funded by government grant, e.g. Includes 40% government grant funding.
5. The explanatory column can be used to confirm where projects are joint funded by the Exchequer and from the LA's own resources. It should be used in all instances where it applies.

STEP 1 QA Process - Project Inventory Reporting Criteria/Requirements

Expend Type	Category/Band	Application of Criteria/Source of Information
A. Expenditure being considered	Capital Projects □ Between €0.5m - €5m	1. 3 year Capital Programme for the year under review e.g. 2020 Return – Use 2020 projects listed in 2020 to 2022 Programme, 2021 Return – Use 2021 projects listed in 2021 to 2023 Programme;and so on. 2. Remove any items which have <u>incurred</u> expenditure during the year or review (to be included in B) 3. Add any items notified by Project/Programme Owners as additional projects that were identified during the year under review and which were not listed in the Capital Programme for that year. 4. Include all items at Total Overall Project Cost (Lifetime Costs)
	Capital Projects □ Between €5m - €20m Capital Projects over €20m Current Expenditure programme □ Increases over €0.5m	
B. Expenditure being	Capital Projects greater than €0.5m ¹	1. Capital Projects with expenditure for the year under review – which inform AFS (Appendix 6) 2. List all relevant projects (Job code level), with expenditure greater than €0.5m. 3. Remove all projects that were completed in the year of review. 4. Include all items at Total Overall Project Costs. (Lifetime Costs) 5. Items listed in this section remain there year on year until the project is complete.
		1. AFS (Appendix 2) for the year under review. 2. Include Items at Service Level (e.g. A01 Main/Imp LA HSG) with expenditure greater than €0.5m. 3. Remove any items/programmes that were discontinued in the year of review.
C. Expenditure that has recently ended	Capital Projects greater than €0.5m ¹	Include all <u>completed</u> Capital projects identified in (and removed from) B above. Include at Total Overall Project Cost.
	Current Expenditure greater than €0.5m	1. Include all <u>discontinued</u> Service Expenditure identified in (and removed from) B above. 2. Include Current Expenditure at total Cost of Service reported in AFS for the year under review.

N.B. Projects/Programmes should only appear in one category in the inventory.

¹ The PSC includes a category for Capital Grants Scheme under B and C above – See note above on how to account for this type of expenditure.

Step 2 Summary Information on Website

The Project Inventory will inform the projects to be published on the organisation's website. Summary details of all procurements (capital and current) where the value exceeds €10m are required to be published under a heading PROCUREMENT/PROJECT PROGRESS. The list must be published by 31st May each year and should include the information on the following table for each project/procurement greater than €10m regardless of its status. All €10m + projects/procurements will remain on the list until they have been reported as completed.

Project Details	
Year:	
Parent Department:	
Name of Contracting Body:	
Name of Project/Description:	
Procurement Details	
Advertisement Date:	
Tender Advertised in:	
Awarded to:	
EU Contract Award Notice Date:	
Contract Price:	
Progress	
Start Date:	
Expected Date of Completion per Contract:	
Spend in Year under Review:	
Cumulative Spend to End of Year:	
Projected Final Cost:	
Value of Contract Variations:	
Date of Completion:	
Outputs	
Expected Output on Completion (E.G. XX kms of Road, No of units etc)	
Output Achieved to date (E.G. X kms of Roads, No of Units etc)	

Notes:

- o The requirement to publish relates specifically to procurement and not the project so where a project is reported at over €10m the interpretation here is that the project is examined and only the elements of that project that were the subject of a procurement process for a contract in excess of €10m needs to be reported. Therefore if a project with a total expenditure in excess of €10m is made up of procurements assigning more than one contractor and none of these contracts exceed the €10m threshold then there is no requirement to include them in the list for publication.
- o Year = Year of review
- o Parent Department = LA name

Step 3 Checklists to be completed

There are 7 Checklists and the purpose of the checklists is to provide a self assessment overview of how compliant they have been with the Public Spending Code. The checklists published in the original spending code publication have been amended and the revised checklists are included in Appendix C.

The 7 Checklists are as follows:

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

Checklist 2: Capital Expenditure being considered – Appraisal and Approval

Checklist 3: Current expenditure being considered – Appraisal and Approval

Checklist 4: Incurring Capital Expenditure

Checklist 5: Incurring Current Expenditure

Checklist 6: Capital Expenditure recently completed

Checklist 7: Current expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued

All seven checklists must be completed. Checklist 1 is designed to capture obligations/good practices that apply to the organisation as a whole. Each of the remaining 6 checklists are required to be completed by each organisation for each of the expenditure types (Only one per expenditure type is required i.e. it is not a requirement to complete a checklist for each project or programme) with the following approach being taken.

The Checklists are informed by the Project Inventory so put simply the following table outlines the approach 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

- ✓ Organisations are asked to estimate their compliance on each item on a 3 point scoring scale
 - o Scope for significant improvements = a score of 1
 - o Compliant but with some improvement necessary = a score of 2
 - o Broadly Compliant = a score of 3
- ✓ This self-assessed estimate of compliance can be based on an appropriate sample of the projects/areas of expenditure that are relevant to the checklist.
- ✓ The sample could be 5-10% of projects/programmes.
- ✓ The sample should rotate from year to year.

The Checklists need to be interpreted from a Local Authority perspective e.g. Reference in the checklists to “Department” should be interpreted as Local Authority. See question 1 on Checklist 1 for a sample of such a reference.

Step 4 IndepthCheckonsmallnumberofprojects

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

- o Capital Projects: Projects selected must represent a minimum of 5% of the total value of all Capital projects on the Project Inventory.
- o Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all Revenue Projects on the Project Inventory.

This minimum is an average over a three year period.

The same projects should not be selected more than once in a three year period unless it is a follow up to a serious deficiency discovered previously.

Over a 3 – 5 year period all stages of the project life cycle and every scale of project should have been included in the in depth check.

Step 4 looks at a small subset of schemes reported on the Project Inventory, looking in more detail at the quality of the Appraisal, Planning and/or Implementation stages to make a judgement on whether the work was of an acceptable standard and that they are in compliance with the Public Spending Code.

The approach/methodology for the Indepth checking exercise shall be informed by the template provided for such reviews and which is included in Appendix D.

Step 5 CompleteSummaryReportforNOAC

The summary report for NOAC is required to be submitted by the end of May each year in respect of the previous calendar/financial year.

The report is required to contain:

1. Project Inventory prepared.
2. Website reference for where the procurements over €10m are published.
3. A copy of the completed checklists.
4. The report compiled following the in depth review of a subset of schemes.
5. A note of how inadequacies identified in the QA process will be addressed.

The report is to be certified by the Accounting Officer and published on the organisation's website.

6. Summary and Conclusion

A. Compliance with the Quality Assurance requirements of the PSC

The Quality Assurance Requirements of the Public Spending Code is an exercise which involves 5 steps

1. Drawing up inventories of projects/programmes at the different stages of the Project Life Cycle.
2. Publishing summary information on its website of all procurements in excess of €10m, related to projects in progress or completed in the year under review.
3. Completing the checklists contained in the PSC. Only one of each of the 7 checklists per Department/Agency/Local Authority is required.
4. Carrying out a more in-depth check on a small number of selected projects/programmes.
5. Completing a short summary report for the National Oversight and Audit Commission (NOAC) to be submitted by the end of May in respect of the previous calendar year.

Based on the summary above the following table sets out, from a local government perspective how the Public Spending Code should be implemented and operated in Local Authorities.

Public Spending Code – A Local Government Perspective			
Element of PSC		Action Required	
A	Compliance with requirements at each stage of the Expenditure life cycle	✓ Notice from CE to all staff in Local Authority notifying them of their obligations to meet the requirements of the PSC. ✓ Communication from CE to any organisation/body receiving funding from LA in excess of €0.5m notifying them of their obligations to meet the requirements of the PSC and confirm this to the LA	
B	Compliance with reporting requirements during each stage of a capital project	✓ Notices from CE at A above to include an element referring to the reporting requirements for each stage of the project.	
C	Compliance with Quality Assurance requirements of PSC	Step 1 – Project Inventory (To be assigned to Coordinator as determined by CE)	✓ As Sponsoring Authority – compile inventory of all projects (current & capital) of €0.5m or greater ✓ As Sanctioning Authority – compile inventory of all project allocations (if any) of €0.5m or greater
		Step 2 – Summary Information on Website	Coordinator to extract projects of €10m or greater and publish any procurement element of €10m or greater for publication in the format required.
		Step 3 – Complete Checklists Checklist 1 – General Overview Checklists 2 – 7 required to be based on an overall assessment supported by a sample test of projects/programmes relevant to the Checklist.	Coordinator to complete Checklist 1 and based on the projects in the Project Inventory select the appropriate projects and complete Checklists 2 – 7 based on evidence provided by Project/Programme Owners within the organisation.
		Step 4 – In depth Check on a small number of projects	Internal Audit to include this check in their Annual Audit Plan and complete and report on the check as required in the PSC.
		Step 5 – Summary Report for NOAC and for publishing on Website	Coordinator to compile report and include all elements from Steps 1 to 4 as required by PSC.

APPENDIX A

PUBLIC SPENDING CODE (PSC) EXPLANATORY

TEMPLATE FOR PROJECT INVENTORY

XXXXXX County Council

Inventory of Projects and Programmes over €0.5m

The following contains an inventory of Expenditure on Projects/Programmes with a value above €0.5m, categorised by Expenditure being considered, Expenditure being incurred and Expenditure recently ended. Only projects with expenditure matching these criteria are included in the Inventory table

Expenditure Being Considered		
Project/ Programme Description	Revenue Expenditure	Capital Expenditure
Note 1	Note 2	
	Note 3	
Expenditure Being Incurred		
Project/ Programme Description	Revenue Expenditure	Capital Expenditure
Note 1		
Expenditure Recently Ended		
Project/ Programme Description	Revenue Expenditure	Capital Expenditure
Note 1		

Note 1: New Line to be added for each named Project/Programme

Capital Project to be included at individual project level

Revenue Programme to be included at Service Level.

Note 2: Capital Expenditure is to be included as overall value/cost of project

Revenue Expenditure is to be included as total of Service

Note 3: Only New or Increases in Revenue Budget of €0.5m or more are included in this category

This template is only for the purpose of explanation of entries. NOAC have provided LAs with an excel version of the templates to be used for submissions. A copy of the templates is included in Appendix B for reference purposes.

APPENDIX B

PUBLIC SPENDING CODE (PSC)

PROJECT INVENTORY TEMPLATE

For reference only

Submissions to NOAC must be submitted in Excel Format

APPENDIX C
PUBLIC SPENDING CODE (PSC)
CHECKLISTS 1 - 7

Checklists in respect of Capital investment are updated to reflect Public Spending Code: A Guide to Evaluating, Planning and Managing Public Investment, December 2019

QA Checklists – Step 3

When completing the checklists, organisations should consider the following points.

- ☐ The scoring mechanism for the checklists is as follows:
 - o Score for significant improvements = a score of 1
 - o Compliant but with some improvement necessary = a score of 2
 - o Broadly compliant = a score of 3
- ☐ For some questions, the scoring mechanism is not always strictly relevant. In these cases, it may be 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 the annual number of formal evaluations, economic appraisals, project completion reports² and ex post evaluations. Key analytical outputs undertaken but outside of the sample should also be noted in the report.

Local Authority Notes

1. Capital Grant Schemes relate to Projects (recorded in the capital account) where expenditure relates to payments on the foot of grant applications from individuals/groups to the local authority e.g. Housing Aids for the elderly. It has been agreed with DPER that the Capital Grant Scheme element of the Project Inventory will only be used in exceptional circumstances where a LA commences its own grant scheme or primarily funds such a scheme as all other grant schemes are related to schemes commenced at Departmental level and are to be accounted for in the 'capital programmes' column of the QA inventory.

The treatment of Capital Grant Schemes within the Project Inventory can therefore be clarified as follows:

- a. Where a Capital Grant Scheme is 100% funded by Government Grant – Project Cost to be included under Capital Programme;
 - b. Where a Capital Grant Scheme is 100% funded by the Local Authority – Project Cost to be included under Capital Grant Scheme;
 - c. Where a Capital Grant Scheme is primarily funded by Government Grant with an element of local funding – Project Cost to be included under Capital Programme with a note made for each element funded by own resources e.g. Includes 20% local funding;
 - d. Where a Capital Grant Scheme is primarily funded by Local Funding with an element of government grant funding – Project Cost is to be recorded under Capital Grant Scheme with a note made for each element funded by government grant, e.g. Includes 40% government grant funding.
2. As noted in the general guidance above there may be questions where the scoring mechanism or indeed the question itself are not relevant to some or all local authorities. In such case it is acceptable to mark the answer as N/A and include commentary, where appropriate.

^{2 2} Project completion reports (previously called post project reviews) – see Department of Public Expenditure & Reform, Circular 06/2018 available [here](#)

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	Comment/Action Required
Q 1.1	Does the organisation ensure, on an ongoing basis, that appropriate people within the organisation and its agencies are aware of their requirements under the Public Spending Code (incl. through training)?		
Q 1.2	Has internal training on the Public Spending Code been provided to relevant staff?		
Q 1.3	Has the Public Spending Code been adapted for the type of project/programme that your organisation is responsible for, i.e., have adapted sectoral guidelines been developed?		
Q 1.4	Has the organisation in its role as Approving Authority satisfied itself that agencies that it funds comply with the Public Spending Code?		
Q 1.5	Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the organisation and to agencies?		
Q 1.6	Have recommendations from previous QA reports been acted upon?		
Q 1.7	Has an annual Public Spending Code QA report been submitted to and certified by the Chief Executive Officer, submitted to NOAC and published on the Local Authority's website?		
Q 1.8	Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP?		
Q 1.9	Is there a process in place to plan for ex post evaluations? 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.		
Q 1.10	How many formal evaluations were completed in the year under review? Have they been published in a timely manner?		
Q 1.11	Is there a process in place to follow up on the recommendations of previous evaluations?		
Q 1.12	How have the recommendations of reviews and ex post evaluations informed resource allocation decisions?		

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
Q 2.1	Was a Strategic Assessment Report (SAR) completed for all capital projects and programmes over €10m?	N/A	No Longer relevant
Q 2.2	Were performance indicators specified for each project/programme which will allow for a robust evaluation at a later date? Have steps been put in place to gather performance indicator data?		
Q 2.3	Was a Preliminary and Final Business Case, including appropriate financial and economic appraisal, completed for all capital projects and programmes?		
Q 2.4	Were the proposal objectives SMART and aligned with Government policy including National Planning Framework, Climate Mitigation Plan etc?		
Q 2.5	Was an appropriate appraisal method and parameters used in respect of capital projects or capital programmes/grant schemes?		
Q 2.6	Was a financial appraisal carried out on all proposals and was there appropriate consideration of affordability?		
Q 2.7	Was the appraisal process commenced at an early enough stage to inform decision making?		
Q 2.8	Were sufficient options analysed in the business case for each capital proposal?		
Q 2.9	Was the evidence base for the estimated cost set out in each business case? Was an appropriate methodology used to estimate the cost? Were appropriate budget contingencies put in place?		
Q 2.10	Was risk considered and a risk mitigation strategy commenced? Was appropriate consideration given to governance and deliverability?		
Q 2.11	Has the Preliminary Business Case been sent for review by the External Assurance Process and Major Project Advisory Group for projects estimated to cost over €200m?		
Q 2.12	Was a detailed project brief including design brief and procurement strategy prepared for all investment projects?		
Q 2.13	Were procurement rules (both National and EU) complied with?		
Q 2.14	Was the Capital Works Management Framework (CWMF) properly implemented?		
Q 2.15	Were State Aid rules checked for all support?		
Q 2.16	Was approval sought from the Approving Authority at all decision gates?		
Q 2.17	Was Value for Money assessed and confirmed at each decision gate by Sponsoring Agency and Approving Authority?		
Q 2.18	Was consent sought from Government through a Memorandum for Government to approve projects estimated to cost over €200m at the appropriate approval gates?		

See Note 2 in the opening guidelines in relation to the interpretation of Capital Grant Schemes in the context of Local Government

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
Q 3.1	Were objectives clearly set out?		
Q 3.2	Are objectives measurable in quantitative terms?		
Q 3.3	Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure proposals?		
Q 3.4	Was an appropriate appraisal method used?		
Q 3.5	Was an economic appraisal completed for all projects/programmes exceeding €20m or an annual spend of €5m over 4 years?		
Q 3.6	Did the business case include a section on piloting?		
Q 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?		
Q 3.8	Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?		
Q 3.9	Was the pilot formally evaluated and submitted for approval to the relevant Vote Section in DPER?		
Q 3.10	Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?		
Q 3.11	Was the required approval granted?		
Q 3.12	Has a sunset clause been set?		
Q 3.13	If outsourcing was involved were both EU and National procurement rules complied with?		
Q 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?		
Q 3.15	Have steps been put in place to gather performance indicator data?		

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
Q 4.1	Was a contract signed and was it in line with the Approval given at each Decision Gate?		
Q 4.2	Did management boards/steering committees meet regularly as agreed?		
Q 4.3	Were programme co-ordinators appointed to co-ordinate implementation?		
Q 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?		
Q 4.5	Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?		
Q 4.6	Did projects/programmes/grant schemes keep within their financial budget and time schedule?		
Q 4.7	Did budgets have to be adjusted?		
Q 4.8	Were decisions on changes to budgets / time schedules made promptly?		
Q 4.9	Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case (exceeding budget, lack of progress, changes in the environment, new evidence, etc.)?		
Q 4.10	If circumstances did warrant questioning the viability of a project/programme/grant scheme was the project subjected to adequate examination?		
Q 4.11	If costs increased or there were other significant changes to the project was approval received from the Approving Authority?		
Q 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?		

See Note 2 in the opening guidelines in relation to the interpretation of Capital Grant Schemes in the context of Local Government

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
Q 5.1	Are there clear objectives for all areas of current expenditure?		
Q 5.2	Are outputs well defined?		
Q 5.3	Are outputs quantified on a regular basis?		
Q 5.4	Is there a method for monitoring efficiency on an ongoing basis?		
Q 5.5	Are outcomes well defined?		
Q 5.6	Are outcomes quantified on a regular basis?		
Q 5.7	Are unit costings compiled for performance monitoring?		
Q 5.8	Are other data compiled to monitor performance?		
Q 5.9	Is there a method for monitoring effectiveness on an ongoing basis?		
Q 5.10	Has the organisation engaged in any other 'evaluation proofing' of programmes/projects?		

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

	Capital Expenditure Recently Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Q 6.1	How many Project Completion Reports were completed in the year under review?		
Q 6.2	Were lessons learned from Project Completion Reports incorporated into sectoral guidance and disseminated within the Sponsoring Agency and the Approving Authority?		
Q 6.3	How many Project Completion Reports were published in the year under review?		
Q 6.4	How many Ex-Post Evaluations were completed in the year under review?		
Q 6.5	How many Ex-Post Evaluations were published in the year under review?		
Q 6.6	Were lessons learned from Ex-Post Evaluation reports incorporated into sectoral guidance and disseminated within the Sponsoring Agency and the Approving Authority?		
Q 6.7	Were Project Completion Reports and Ex-Post Evaluations carried out by staffing resources independent of project implementation?		
Q 6.8	Were Project Completion Reports and Ex-Post Evaluation Reports for projects over €50m sent to DPER for dissemination?		

See Note 2 in the opening guidelines in relation to the interpretation of Capital Grant Schemes in the context of Local Government

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
Q 7.1	Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?		
Q 7.2	Did those reviews reach conclusions on whether the programmes were efficient?		
Q 7.3	Did those reviews reach conclusions on whether the programmes were effective?		
Q 7.4	Have the conclusions reached been taken into account in related areas of expenditure?		
Q 7.5	Were any programmes discontinued following a review of a current expenditure programme?		
Q 7.6	Were reviews carried out by staffing resources independent of project implementation?		
Q 7.7	Were changes made to the organisation's practices in light of lessons learned from reviews?		

APPENDIX D

PUBLIC SPENDING CODE (PSC)

INDEPTH REVIEW

METHODOLOGY & TEMPLATE

In-Depth Checks Methodology

This document sets out an example of an in depth check methodology that Local Authorities shall use in their Quality Assurance (QA) reports. The methodology is based on the principals and guidance within the Public Spending Code (PSC or Code) and best practice evaluation tools. This methodology should be used in conjunction with the in depth checks template contained in this Appendix. The methodology and template were developed by the Economic and Financial Evaluation Unit (EFEU) in the Department of Transport, Tourism and Sport (DTTaS) but are deemed to be applicable within the Local Government Sector.

Steps Involved in the In Depth Checks

There are 5 steps involved as detailed in Table 1 and set out in more detail below. For examples of previously completed in depth checks using this methodology please follow this [link](#).

Table 1: In Depth Checks – Steps Involved	
Step One	Logic Model Mapping
Step Two	Summary Timeline of Project/Programme Lifecycle
Step Three	Analysis of Key Documents
Step Four	Data Audit
Step Five	Key Evaluation Questions

Step 1 – Logic Model Mapping³

Each programme or project is mapped to a Logic Model and as such the principles of a Programme Logic Model (PLM), a standard evaluation tool, are applied. A PLM defines the objectives, inputs, activities, outputs and impacts of a process into a coherent framework and facilitates best practice evaluation. PLMs are standard practice in Irish evaluation and are utilised as a means of distilling information.

Step 2 – Summary Timeline of Project/Programme Lifecycle

The timeline of the project is outlined along the project lifecycle detailed in the PSC – expenditure being considered, expenditure being incurred and expenditure recently ended. The types of major events considered include the dates associated with decisions to proceed with certain analysis, project options, policies that are published during the period that supported the programme/project, finalisation of relevant reports, etc.

Step 3 – Analysis of Key Documents

Having outlined the project stages through the lifecycle, the in-depth check examines in detail all material that has been compiled in order to plan, assess or implement the programme. In practice this involves reviewing and analysing key documentation such as any business cases, cost-benefit analyses, evaluations or post-project reviews. The assessment of these documents will assist in the completion of the key evaluation questions below.

³ See Mode 1 for details on the Programme Logic Model (PLM). A PLM is typically utilised for the evaluation of programmes. However, the methodological framework is useful in the consideration of projects, programmes and schemes.

Step 4 – Data Audit

Step 4 of the in-depth check evaluates whether appropriate data are available for a future evaluation of the project/programme. This involves thinking about three key things:

1. What key data would be required to evaluate the programme;
2. Why those data would be useful; and
3. Whether those data are available.

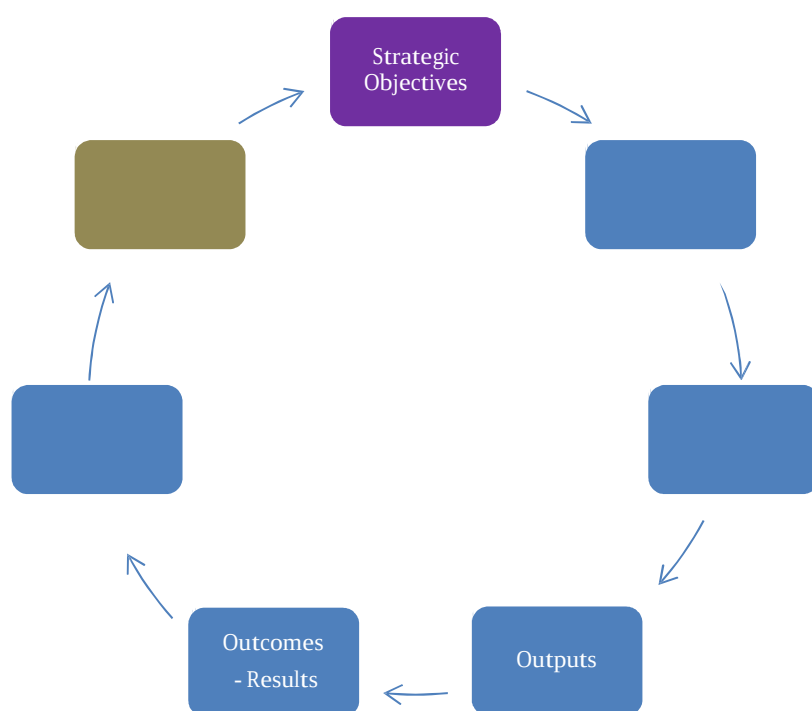
The output from this step would usually be table of key data, how they would be used in an evaluation (e.g., to measure benefits) and their availability. Doing this exercise assists in the identification of any data gaps. Where such gaps exist, steps to alleviate any issues should be set out. The findings from this section could also be used to inform organisation strategies (e.g., data and statistical plans/strategies). For examples of this step see the link in the introduction.

Step 5 – Key Evaluation Questions

The final step of the in-depth check assesses the programme/project on the basis of three key evaluation questions. The answers will be informed by the findings from the previous steps. The three key questions are:

1. Does the delivery of the project/programme comply with the standards set out in the Public Spending Code? (Appraisal, implementation and post-implementation stages);
2. Are the necessary data and information available such that the project/programme can be subjected to a full and robust evaluation at a later date?; and
3. What improvements are recommended such that future processes and management is enhanced?

Model 1 – Programme Logic Model



Inputs	There are many inputs to programmes – physical inputs like buildings and equipment, data inputs like information flows, human inputs (grades of staff) and systems inputs like procedures. The financial input is the budget made available to the programme. Inputs are sometimes referred to as resources.
Activities	Activities, also called processes, are the actions that transform inputs into outputs. Activities are collections of tasks and work-steps performed to produce the outputs of a programme.
Outputs	The outputs are what are produced by a programme. They may be goods or services.
Results	The results are the effects of the outputs on the targeted beneficiaries in the immediate or short term. Results can be positive or negative.
Impacts	Impacts are the wider effects of the programme, from a sectoral or national perspective, in the medium to long term. They include the medium to long term effects on the targeted beneficiaries.

Quality Assurance – In Depth Check Template

Document Purpose

This document sets out the outline template to be filled in by the evaluator, in conjunction with the division/unit/agency, while completing an in-depth check as part of the Quality Assurance Process (QAP). This document is drawn directly from the In-Depth Check Methodology document which can be used to assist in carrying out the evaluation exercise. As such it is split in to 5 sections in line with the 5 identified steps of the process.

Document Format

Section A: Introduction

Section B: Evaluation

1. Logic Model Mapping
2. Summary Timeline of Life Cycle
3. Analysis of Key Documents
4. Data Audit
5. Key Evaluation Questions

Section C: Summary and Conclusions

Summary and Use

The templates, once completed will be the in-depth check and will be attached as an appendix to the Quality Assurance report. The Summary and Conclusions section, usually no longer than two paragraphs, will be copied in to the main report under the In-Depth Check section.

Note: All Information in **Red** is for example and should be replaced or deleted as appropriate. This cover page should be removed from final In-Depth Check report.

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	City Centre Resignalling – Phases 3 and 4
Detail	Capital investment programme to renew and upgrade infrastructure on the main heavy rail lines in Dublin City Centre with the objective of improving capacity and speeds
Responsible Body	National Transport Authority
Current Status	Expenditure Being Incurred
Start Date	First Proposed in 2005
End Date	Currently in Construction
Overall Cost	€50 million

Project Description

(Insert text with overview of scheme and context to give more detail than summary table above)

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, [Unit Name] have completed a Programme Logic Model (PLM) for the **Project Name**. A PLM is a standard evaluation tool and further information on

Objectives	Inputs	Activities	Outputs	Outcomes

their nature is available in the [Public Spending Code](#).

Description of Programme Logic Model (Note: One paragraph each here if possible)

Objectives: The objectives of the City Centre Resignalling Project were to enhance capacity on the main commuter heavy rail lines and increase speeds. In doing this, it aimed to improve the level of service for rail passengers and increase the number of people using rail on these lines.

Inputs: The primary input to the programme was the capital funding of €50 million which was provided for by.....

Activities: There were a number of key activities carried out through the project including.....

Outputs: Having carried out the identified activities using the inputs, the outputs of the project are for higher rail capacity on the lines in question and increased train speeds.

Outcomes: The envisaged outcomes of the project was to increase the level of service for train users and increase the number of overall rail passengers on these lines.

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

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



Early 1980's	Original signalling equipment installed at time of DART system construction
2001	Dublin Transport Office Strategy recommends City Centre Resignalling and upgrade
January 2008	Transport 21 includes a number of measures similar to those related to Resignalling in the 2001 DTO Strategy
Etc.	Etc.
Etc.	Etc.
Etc.	Etc.
Etc.	Etc.
Etc.	Etc.

Section B - Step 3: Analysis of Key Documents

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

Project/Programme Key Documents	
Title	Details
Original Business Case	An Ex-Ante Appraisal of the City Centre Resignalling Project
Monthly Management Reports	On-Going Project Management Reports for the City Centre Resignalling Project
Post-Project Review	Final Close Out Report for the City Centre Resignalling Project

Key Document 1: **Original Business Case**

(Insert section reviewing the quality of the document in question)

Key Document 2: **Monthly Management reports**

(Insert section reviewing the quality of the document in question)

Key Document 3: **Original Business Case**

(Insert section reviewing the quality of the document in question)

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
Number of Trains Passing Through Rail Lines	Assess difference in number of trains	Yes, held by NTA
Average Speed of Trains Passing Through Rail Lines	Assess difference in speed of trains	No
Number of Heavy Rail Passengers	Assess difference in train use	No

Data Availability and Proposed Next Steps

(Summarise data availability and agree next steps with unit/division/agency to fill data gaps)

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for **Project Name** 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)

(Insert Text on Overall Assessment)

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

(Insert Text on Overall Assessment)

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

(Insert Text on Overall Assessment)

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on the **Project Name**

Summary of In-Depth Check

(Insert two paragraphs summarising report and copy to body of Quality Assurance Summary Report)