



CARLOW COUNTY COUNCIL

Quality Assurance Report 2016

Issued by

CARLOW COUNTY COUNCIL

**Submitted to the National Oversight Audit Commission (NOAC)
in compliance with the Public Spending Code**

MAY 2017

Certification

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

Signature of Deputy Chief Executive:

Dated: 31st May 2017

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1. Introduction

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

The primary aim of the Quality Assurance process is to gauge the extent to which Departments within the Council are meeting the obligations outlined in the Public Spending Code. Details of the Public Spending Code can be found on the following website;

<http://publicspendingcode.per.gov.ie>

The Quality Assurance Process contains five steps:

- 1. Drawing up Inventories of all projects/programmes at different stages of the Project Life Cycle.**
The Project Life Cycle includes appraisal, planning/design, implementation and post implementation review. The three sections to be completed are expenditure being considered, expenditure being incurred and expenditure that has recently ended. The inventory includes all projects/programmes with a value in excess of €0.5m.
- 2. Publish summary information on the Council website of all procurements in excess of €10m.** This applies to all projects whether new, in progress or completed.
- 3. Checklists to be completed in respect of the different stages.** These checklists allow the Council and its departments to self-assess their compliance with the code. The checklists templates 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 (at least 5% of total spending over 3 years) are selected to be reviewed more intensively. This includes a review of all projects from initial appraisal right through to post implementation review.
- 5. Complete a short report for the National Oversight and Audit Commission (NOAC)** 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 proposals to remedy any discovered inadequacies.

This report satisfies step 5 above for Carlow County Council. It is also important to note that this is the third year that the Quality Assurance process has been applied in Carlow County Council.

2. Inventory of Projects/Programmes

This section contains an inventory list of all projects and programmes at various stages of the project life cycle which amount to more than €0.5M. The inventory list (Appendix One on Page 10) is divided between revenue expenditure and capital expenditure and between three stages:

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

All relevant directorates/departments within Carlow County Council were requested to compile an inventory of relevant projects and programmes in their respective areas.

Expenditure being considered

Appendix one contains the details of 13 projects of a value greater than €0.5M that Carlow County Council was considering during 2016. The total value of all 13 projects is €18.95M. The main area being considered for investment was in the Housing Directorate with 12 schemes.

Expenditure being incurred

Appendix one also contains the details of all areas of expenditure with a value greater than €0.5M taken from Appendix 2 in the financial statements for 2016. Please note as of 31/05/2016 these financial statements were unaudited. The total value of all these items of expenditure is €47.49M of which €5.89M relates to capital expenditure and the balance being revenue expenditure. Capital expenditure related to the construction of social housing in Carlow. The revenue expenditure which totals €41.6M relates to the normal day to day activities of the council such as roads maintenance, housing stock maintenance, landfill operations etc.

Expenditure that has recently ended

There are 3 items of expenditure which Carlow County Council deems as recently ended. 2 of these projects are housing related with a total value of €1.91M. The other item relates to the construction of a roundabout at Ballinacarrig with a value of €0.8M.

3. Published Summary of Procurements

The Quality Assurance process requires Carlow County Council to publish all procurements in excess of €10M on our website. There were no procurements in excess of €10M during 2016 in Carlow County Council therefore no procurement details are published on our website.

4. Assessment of Compliance

4.1 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 the Department and its agencies/bodies, 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 full set of checklists 1-7 was completed by Carlow County Council. Each Directorate and relevant department therein completed individual checklists. These checklists were then compiled to create one overall checklist representing the Council overall. The compiled checklist for Carlow County Council is set out in Appendix 2. In addition to the self-assessed scoring, the vast majority of answers are accompanied by explanatory comments. Each question in the checklist is judged by a 3 point scale where 1. Scope for significant improvement, 2. Compliant but with some improvement necessary, 3. Broadly compliant.

4.2 Main Issues Arising from Checklist Assessments

Checklist 3 did not apply to Carlow County Council during 2016. Due to the continued constrained financial circumstances that Carlow County Council finds itself, there are no plans to increase spending in any area by €500K during 2017. A review of current expenditure being considered took place by analysing the adopted budget for 2017 versus the budget for 2016.

There are also no items to report under checklist 7 for Carlow County Council. This checklist deals with expenditure in excess of €500K incurred during 2016 but will not be incurred in future e.g. the closure of landfill sites, transfers to central services etc.

Carlow do not have any on-going large scale capital projects. There are no capital projects greater than €5M in the 2016 Inventory. Therefore, there is no mandatory requirement to carry out post project reviews. However, we are continually assessing our performance and procedures.

Out of the 19 capital projects listed in the Inventory, 17 relate to housing projects. Capital housing projects by their nature are very regulated. Detailed appraisals are required in order to secure funding. After approval is received by the Dept, project teams manage the successful implementation of the project.

5. Summary of In-Depth Checks

Public Lighting

The operation of the Public Lighting network complies with the broad principals of the Public Spending Code. A high level of value for money is being achieved on the programme as almost all the expenditure is procured through national and regional procurement frameworks. A regionally procured maintenance contract was initiated by the Local Authorities in the South East region in 2012 in an effort to procure better value for money. Airtricity Utility Solutions were awarded the contract and commenced maintenance on the lighting stock in April 2012. The contract was for an initial 3 year period with an option to extend for another 2 years. The contract extension option was exercised and the contract expired in March 2017. A new tender was run by Transport Infrastructure Ireland on behalf of Kilkenny and Carlow County Councils. The new contract was again awarded to Airtricity. The contract will initially operate for a two-year period from the 1st April 2017 to 31st March 2019. Subject to continued satisfactory compliance with the terms of the contract, the contract may be renewed on an annual basis up to a maximum period of four years ending on 31st March 2021. The scope of the works included in the contract are clearly explained. The maintenance contract should be reviewed to ensure the objectives included in the scope are being met.

The Energy Supply has been procured from a National Framework ran by Office of Government Procurement (OGP) in which Airtricity and Energia were chosen as the preferred suppliers. This framework commenced in April 2015 and will expire in April 2018.

The operation and maintenance of the programme is managed through the IT system Deadsure. This system shows all faults reported on the network and the progress of the repairs of these faults. This allows Carlow County Council to effectively manage the programme.

Construction of 10 Houses at Rathvilly, Co. Carlow

Overall, I find this project complies with the principals of the Public Spending Code.

The construction of social housing is in line with national housing policy. The project brief provided a detailed appraisal of the project. It also included details in relation to the design brief, site selection, project management arrangements and cost estimates. It demonstrated there was a clear housing need in

the area. The houses were built on land already in the ownership of Carlow County Council and zoned for residential development. Pre-tender approval for funding was received from the Dept. of Housing, Planning, Community and Local Government. The tender was advertised on etenders in line with proper procurement procedures. The project was managed by a Project Team with experience and expertise in managing housing construction schemes.

I would recommend that an evaluation of the project be carried out within a specific time frame after the tenants have moved in to the houses. Its purpose is to 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

6. Conclusion

There are no projects in the inventory greater than €5M. Therefore, many of the requirements of the Public Spending Code do not apply. Overall, the QA report provides reasonable assurance that Carlow County Council are meeting the requirements of the Public Spending Code where they apply. It is important that the staff receive continuous training on the requirements of the Public Spending Code in order that it becomes embedded in the culture of the organisation

APPENDIX ONE

Details of Projects and Programmes that exceeded €500,000 during 2016

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			Notes
	Current >€0.5m	Capital Grant Schemes > €0.5m	Capital Projects			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							
Local Authority Name Carlow County Council												
Council												
Housing & Building												
A01 Maintenance/Improvement LA Housing						1,800,000						
A03 Housing Rent and Tenant Purchase Administration						500,000						
A06 Support to Housing Capital Programme						1,600,000						
A07 RAS PROGRAMME						5,100,000						
16 HOUSES AT ST PATRICKS PARK TULLOW - 2015			800,000									
2 NUMBER HOUSES @ BILBOA			990,000									
4 HOUSE SCHEME POUND LANE BORRIS - 2014			650,000									
4 HOUSES AT MT LEINSTER PARK CARLOW - 2015			650,000									
4 HOUSES AT ST OLIVERS CRESCENT MYSHALL - 2016			650,000									
4 NUMBER HOUSES AT SLATE ROW HACKETSTOWN 2016			500,000									
10 HOUSES AT RATHVILLY - PHASE 1 - 2015								1,500,000				
24 HOUSE SCHEME MONEYBEG BAGENALSTOWN - 2014								3,400,000				
5 APARTMENTS @ MARYBOROUGH ST, GRAIGUECULLEN								990,000				
6 HOUSE SCHEME BORRIS - 2014											1,040,000	
Purch 10 Houses at Brownshill Woods, Carlow			1,910,000									
CALF Cluid 26 Houses at Sleaty Street, Graiguecullen			3,800,000									
CALF Cluid 10 houses at Rivercourt			1,900,000									
CAS - TINTÉAN Straboe			500,000									
CAS - TINTÉAN BALLINCARRIG PHASE 2											870,000	
CALF Tintean 10 Houses Barrett Street, Bagenalstown			1,400,000									
PARTV Castle Oaks Carlow 5 Houses (JCBrencoLtd.)			700,000									
Road Transportation and Safety												
B02 NS Road – Maintenance & Improvement						600,000						
B03 Regional Road - Maintenance & Improvement						1,700,000						
B04 Local Road – Maintenance & Improvement						4,900,000						
B05 Public Lighting						900,000						
Ballinacarrig Roundabout (B)											800,000	
Carlow Southern Relief Road			4,500,000									
Water Services												
C01 Water Supply						2,400,000						
C02 Waste Water Treatment						1,900,000						
Development Management												
D02 Development Management – Planning						900,000						
D06 Community & Enterprise Function						800,000						
D09 Economic Development & Promotion						1,200,000						
Environmental Services												
E01 Landfill Operation and Aftercare						4,600,000						
E06 Street Cleaning						600,000						
E11 Operation of Fire Services						2,800,000						
Recreation and Amenity												
F02 Operation of Library & Archive Services						1,600,000						
F03 Outdoor Leisure Areas Operations						800,000						
F05 Operation of Arts Programme						1,200,000						
Miscellaneous Services												
H03 Administration of Rates						4,300,000						
H09 Local Representation/Civic Leadership						700,000						
H10 Motor Taxation						700,000						
				10								
	0	0	18,950,000	0	0	41,600,000	0	5,890,000	0	0	2,710,000	0

APPENDIX TWO Completed Checklists 1 to 7

Checklist 1 – To be completed in respect of general obligations not specific to individual projects/programmes.

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 1 - 3	Discussion/Action Required
1.1 Does the organisation ensure, on an ongoing basis, that appropriate people within the organisation and its agencies are aware of their requirements of the Public Spending Code (incl. through training)?	3	All relevant staff have been notified of their obligations under the PSC
1.2 Has training on the Public Spending Code been provided to relevant staff within the organisation?	N/A	No training has been provided to date that we are aware of. Training where provided will be attended by Staff Members.
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?	3	Yes. A guidance document has been developed for the QA adapting the PSC to Local Government Structures and approach.
1.4 Has the organisation in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	1	Carlow Co. Co. does act as a sanctioning authority to other agencies. Consideration will be given as how those organisations will comply with the PSC during 2017.
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the organisation and to agencies?	3	All quality assurance exercises are disseminated to those responsible.
1.6 Have recommendations from previous QA reports been acted upon?	2	Where possible recommendations are implemented. Resource constraints however apply in some cases.
1.7 Has an annual Public Spending Code QA report been certified by the organisation Chief Executive, submitted to NOAC and published on the organisation'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.	1	No capital projects in the inventory greater than €5M
1.10 How many formal Post Project Review evaluations have been completed in the year under review? Have they been issued promptly to the relevant stakeholders / published in a timely manner?	N/A	None
1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews?	N/A	No post project reviews carried out.
1.12 How have the recommendations of previous evaluations/post		No post project reviews carried out.

project reviews informed resource allocation decisions?	N/A	
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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?	N/A	No project exceeded €5M
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	3	Council used appraisal designed in accordance with Dept guidelines
2.3 Was a CBA/CEA completed for all projects exceeding €20m?	N/A	No project exceeded €20M
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes all preliminary appraisals submitted to the Dept.
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 – also all preliminary drawing prepared in-house
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views?	N/A	No project exceeded €20M
2.7 Were the NDFA consulted for projects costing more than €20m?	N/A	No project exceeded €20M
2.8 Were all projects that went forward for tender in line with the Approval in Principle and if not was the detailed appraisal revisited and a fresh Approval in Principle granted?	3	Yes
2.9 Was approval granted to proceed to tender?	3	Yes
2.10 Were procurement rules complied with?	3	Yes
2.11 Were State Aid rules checked for all supports?	N/A	
2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	Yes. In addition, post-tender approval is sought i.e. approval to commence construction
2.13 Were performance indicators specified for each project/programme which will allow for a robust evaluation at a later date?	N/A	Time-scale, budget and outcome for tenants basis of evaluation
2.14 Have steps been put in place to gather performance indicator data?	N/A	

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?	N/A	No additional or new expenditure exceeding €500K planned for 2017. Budget for 2016 and 2017 reviewed for details.
3.2 Are objectives measurable in quantitative terms?	N/A	As above
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	N/A	As above
3.4 Was an appropriate appraisal method used?	N/A	As above
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	N/A	As above
3.6 Did the business case include a section on piloting?	N/A	As 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	As above
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	As above
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	N/A	As above
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	N/A	As above
3.11 Was the required approval granted?	N/A	As above
3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?	N/A	As above
3.13 If outsourcing was involved were procurement rules complied with?	N/A	As Above
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?	N/A	As above
3.15 Have steps been put in place to gather performance indicator data?	N/A	As above

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	Meetings held weekly
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	Design Team/DOS/SEE/SEO
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	Senior Executive Engineer and Senior Executive Officer & Design Team as appropriate
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	2	No but variations identified as they arise
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	Projects within budget or acceptable limit (1.5%) as agreed with DECHLG
4.7 Did budgets have to be adjusted?	3	On Occasion with prior approval from the Dept.
4.8 Were decisions on changes to budgets / time schedules made promptly?	3	Yes
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.)	No	No
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme was the project subjected to adequate examination?	N/A	N/A
4.11 If costs increased was approval received from the Sanctioning Authority?	3	Approval always sought from funding body in the case of variances
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	N/A

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

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
5.1 Are there clear objectives for all areas of current expenditure?	3	Yes. Spending Programme Defined as part of the Annual Budget Process
5.2 Are outputs well defined?	2	National KPI's are in place for Local Government
5.3 Are outputs quantified on a regular basis?	2	KPI's are established each year for specific services
5.4 Is there a method for monitoring efficiency on an ongoing basis?	2	Yes Budget performance and Monitoring of outputs is in place
5.5 Are outcomes well defined?	2	Mechanisms and measurements are in place to ensure outcomes are defined (ref. Team Development Plans & Personal Development plans)
5.6 Are outcomes quantified on a regular basis?	2	Yes outcomes are quantified (ref. Team Development Plans & Personal Development plans)
5.7 Are unit costings compiled for performance monitoring?	2	Yes Partly (ref Unit Costing in FMS)
5.8 Are other data compiled to monitor performance?	1	Yes a method is in place to monitor effectiveness(ref. Team Development Plans & Personal Development plans)
5.9 Is there a method for monitoring effectiveness on an ongoing basis?	2	Yes – See monthly Chief Executives Report & quarterly Financial Reporting
5.10 Has the organisation engaged in any other 'evaluation proofing' ¹ of programmes/projects?	2	Yes - A system of quarterly progress reports presented to Council

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

¹ Evaluation proofing involves checking to see if the required data are being collected so that when the time comes a programme/project can be subjected to a robust evaluation. If the data are 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.

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	None. No projects greater than €5M.
6.2 Was a post project review completed for all projects/programmes exceeding €20m?	N/A	N/A
6.3 Was a post project review completed for all capital grant schemes where the scheme both (1) had an annual value in excess of €30m and (2) where scheme duration was five years or more?	2	Not yet however previous Post Project Reviews were assessed and tender documentation subsequently up-dated – this process is continual
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	Improvements in process are noted and taken into account by Council on future projects
6.5 If sufficient time has not elapsed to allow for a proper assessment, has a post project review been scheduled for a future date?	N/A	N/A
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	1	Current staffing levels not available to allow this
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	N/A	None carried out
6.8 Were project reviews carried out by staffing resources independent of project implementation?	N/A	None carried out

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

Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
7.1 Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	
7.2 Did those reviews reach conclusions on whether the programmes were efficient?	N/A	
7.3 Did those reviews reach conclusions on whether the programmes were effective?	N/A	
7.4 Have the conclusions reached been taken into account in related areas of expenditure?	N/A	
7.5 Were any programmes discontinued following a review of a current expenditure programme?	N/A	
7.6 Were reviews carried out by staffing resources independent of project implementation?	N/A	
7.7 Were changes made to the organisation's practices in light of lessons learned from reviews?	N/A	

APPENDIX THREE - IN-DEPTH REVIEWS

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	Operation of Public Lighting
Detail	Revenue Expenditure to operate and maintain Public Lighting system in Carlow
Responsible Body	Carlow County Council
Current Status	Expenditure Being Incurred
Start Date	Recurring annual costs
End Date	Recurring annual costs
Overall Cost	€900k

Project Description

Carlow County Council is responsible for the maintenance and provision of public lighting within its area. This includes street lights and lights in housing estates that have been taken in charge by Carlow County Council. Carlow County Council provide ~~xx~~ 7,152 public lights throughout the county.

The breakdown of the annual spend in 2016 was €888K. The budget for this service was €961K. Transport Infrastructure Ireland provide funding for public lighting on National Roads in the county. €72k was received in 2016.

The breakdown of the amount spent in 2016 is as follows:

Expenditure Type	Amount	% Spend
Payroll	€24,280	2.7%
Repair & Maint	€197,731	22.3%
Capital Works funded through Operational Spend	€124,770	14.0%
Contribution to Carlow Kilkenny Energy Agency	€50,000	5.6%
Energy Cost	€461,553	51.9%
Overheads	€11,751	1.3%
Other	€7,599	0.9%
Computer Software	€10,947	1.2%
Total	€888,631	

In relation to staff, less than 0.5fte work on Public Lighting. This is reflected in the low payroll costs in the table above. Over 70% of the spend in 2016 related to energy costs and maintenance. Both these services are procured through National and Regional Frameworks.

Maintenance

A regionally procured maintenance contract was initiated by the Local Authorities in the South East region in 2012 in an effort to procure better value for money. Airtricity Utility Solutions were awarded the contract and commenced maintenance on the lighting stock in April 2012. The contract was for an initial 3 year period with an option to extend for another 2 years. The contract extension option was exercised and the contract expired in March 2017. A new tender was run by Transport Infrastructure Ireland on behalf of Kilkenny and Carlow County Councils. The new contract was again awarded to Airtricity. The contract will initially operate for a two-year period from the 1st April 2017 to 31st March 2019. Subject to continued satisfactory compliance with the terms of the contract, the contract may be renewed on an annual basis up to a maximum period of four years ending on 31st March 2021.

The works include the following:

1. Routine Tasks
 - a) Periodic Patrols at night at an appropriate frequency to identify faults
 - b) Visual structural inspection
 - c) Electrical Inspection

- d) Lantern cleaning
- e) Asset management system update
- f) Ongoing asset inventory updating/verification
- g) Monthly reporting

2. Reactive Maintenance

- a) Replacement of faulty Lamps
- b) The installation of various types of public lighting attachments, lanterns and their components
- c) Electrical maintenance of public lighting networks and public lighting units.

3. On Call Emergency Service

- a) Emergency call outs and small scale repair, 24 hours per day and 365 days of the year.

4. Cable fault repair

5. Other maintenance

6. Fault reporting.

- a) Night Reporting
- b) Web based facility

7. Other associated ancillary works

Energy Supply

The energy costs are procured through a National Framework run by the Office of Government Procurement (OGP). The preferred suppliers for energy are:

- Energia (for unmetered lighting)
- Airtricity (for metered lighting)

Upgrades

Carlow County Council also carry out occasional upgrades of Public Lights. Airtricity are the only supplier in Carlow approved by to carry out works to ESB networks infrastructure. Therefore, all upgrading works on lights mounted on ESB network poles are carried out by Airtricity. The upgrading of Public Lights on non ESB network poles are carried out by an electrical contractor using normal procurement procedures.

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit have completed a Programme Logic Model (PLM) for Public Lighting.

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none"> • to enable all roads users (pedestrian, vehicular or other) to see each other, recognise possible dangerous traffic situations. • To create an environment where residents of housing estates feel safe and secure. • reduce the incidence of night time crime • improve the perception of street safety and security • increase leisure and commercial activity after dark • encourage walking, cycling and use of public transport • improve the effectiveness of other community safety measures such as closed circuit television (CCTV). 	<ul style="list-style-type: none"> • Budget of approx €900k per annum to operate and maintain public lighting. • Staff of 0.45 fte to manage the programme. • Contract with Airtricity for maintenance of public lighting. • Contract with Energia and Airtricity for energy supply. 	<ul style="list-style-type: none"> • Monitor performance of maintenance contractor, ensuring requirements of contract are met. • Process payments to electricity supplier. • Process Process payments to maintenance contractor. 4. <u>Reporting of lighting faults submitted by Elected Members and the public.</u> 	<ul style="list-style-type: none"> • An efficient and effective public lighting system. 	<ul style="list-style-type: none"> • Fewer traffic accidents at night and a safer environment for all road users and pedestrians. • Reduced crime and residents feel more secure in their homes. • Increased amount of leisure and commercial activity after dark.

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

The Public Lighting programme is an annual revenue spend. Therefore, there is no project commencement or end dates. The previous contract was with Airtricity and it expired in March 2017. A new tender was run by Transport Infrastructure Ireland on behalf of Kilkenny and Carlow County Councils. The new contract was again awarded to Airtricity. The contract will initially operate for a two-year period from the 1st April 2017 to 31st March 2019. Subject to continued satisfactory compliance with the terms of the contract, the contract may be renewed on an annual basis up to a maximum period of four years ending on 31st March 2021. A National Framework for energy supply was run by the Office of Government Procurement. This commenced in April 2015 and is due to expire in April 2018.

Section B - Step 3: Analysis of Key Documents

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

Project/Programme Key Documents	
Title	Details
Tender Documents	Tender ran by TII for service and maintenance contract. Tender ran by OGP on energy supply.
Contract Documents	Contract signed with Airtricity for maintenance. Contract signed with Energia and Airtricity for energy supply.
Monthly Reports	Reports from Deadsure showing work carried out by maintenance contractor which can be reconciled with invoices.

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
No. of reports received from public in relation to public lighting	Assess if process is being operated adequately.	Yes – From Deadsure IT system
% of faults picked up by patrols	Assess if effective patrols are being carried out.	Yes – From Deadsure IT system
% Faults repaired within target repair time.	Assess if there are delays in repairing faults.	Yes – From Deadsure IT system
Amount of energy being saved.	Assess any savings by upgrading to energy efficient lights	Yes – being monitored by Carlow Kilkenny Energy Agency

Data Availability and Proposed Next Steps

Carlow County Council use a specialist IT system called Deadsure to manage the Public Lighting system. Deadsure keeps an inventory of all Public Lights on a GIS map. It allows for the public to report a fault and tracks the progress on repairs of faults. All faults picked up by the contractor are also recorded along with all works carried out. A monthly report is available on Deadsure showing the work carried out by the contractor which is reconciled with the contractor's invoice before payment is made.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Public Lighting 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)

The operation of Public Lighting in Carlow is an ongoing annual process. It complies with the broad principals of the Public Spending Code. Most expenditure is spent on the maintenance and upkeep of the public lighting in the County. This spend was procured through a tender process carried out by Transport Infrastructure Ireland on behalf of Kilkenny and Carlow County Council. The scope of the works required to operate and maintain the public lighting system are clearly defined in the contract documents.

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 Public Lighting programme. This data is available from a specialist IT system called Deadsure which is used to manage the maintenance and operation of the Public Lights in Carlow.

The data is available on Agresso financial management system to carry out a financial evaluation. As part of the maintenance contract, the contractor must provide an inventory of all public lighting in Carlow. This is substantially complete. It is important that this work is completed as soon as possible as it is not possible to fully manage the system if we do not know the location of all our lights.

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

As stated previously, Value for Money is being achieved on this programme through the use of National and Regional Frameworks. These frameworks should be evaluated to highlight the benefits, financial or other. The process should also be reviewed to ensure that the objectives of the programme are being achieved.

The Deadsure IT system manages the operation and maintenance of Public Lights in Carlow. Reports are available for Deadsure which can monitor the operation of the public lighting network. It is important that these reports are used to ensure the contractor is meeting the requirements as set out in the maintenance contract.

Section: In-Depth Check Summary

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

Summary of In-Depth Check

The operation of the Public Lighting network complies with the broad principals of the Public Spending Code. A high level of value for money is being achieved on the programme as almost all the expenditure is procured through national and regional procurement frameworks. A regionally procured maintenance contract was initiated by the Local Authorities in the South East region in 2012 in an effort to procure better value for money. Airtricity Utility Solutions were awarded the contract and commenced maintenance on the lighting stock in April 2012. The contract was for an initial 3 year period with an option to extend for another 2 years. The contract extension option was exercised and the contract expired in March 2017. A new tender was run by Transport Infrastructure Ireland on behalf of Kilkenny and Carlow County Councils. The new contract was again awarded to Airtricity. The contract will initially operate for a two-year period from the 1st April 2017 to 31st March 2019. Subject to continued satisfactory compliance with the terms of the contract, the contract may be renewed on an annual basis up to a maximum period of four years ending on 31st March 2021. The scope of the works included in the contract are clearly explained. The maintenance contract should be reviewed to ensure the objectives included in the scope are being met.

The Energy Supply has been procured from a National Framework ran by Office of Government Procurement (OGP) in which Airtricity and Energia were chosen as the preferred suppliers. This framework commenced in April 2015 and will expire in April 2018.

The operation and maintenance of the programme is managed through the IT system Deadsure. This system shows all faults reported on the network and the progress of the repairs of these faults. This allows Carlow County Council to effectively manage the programme.

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	10 No. Houses at Rathvilly, Carlow
Detail	Capital project to construct 10 No. Houses at Rathvilly, Carlow
Responsible Body	Carlow County Council
Current Status	Expenditure Being Incurred
Start Date	2015
End Date	May 2017
Overall Cost	€1.5 million

Project Description

As is the case nationally, there is an acute demand for social housing in Co. Carlow. This project involves the construction of 10 new social houses in Rathvilly, Co. Carlow.

The project adheres to current National policy by constructing additional social housing units. The National Social Housing Strategy identifies 35,000 new social housing units over a 6 year period to 2020.

Rathvilly is located 18km east of Carlow town and has a population in excess of 800. At the time of project appraisal, Carlow County Council had a total waiting list for social accommodation of 1,387. Of these 22 had a housing preference for Rathvilly.

The development site is located close to the Main Street in Rathvilly. All services are easily accessible and the land is zoned residential. The site for the 10 houses is part of land that was purchased by way of a HFA loan more than 10 years ago. This was at a time when local authorities were being encouraged to purchase land by the relevant Housing Dept. and also at a time when land values were extremely high. With the subsequent rapid decrease in land valuation, this resulted in a major burden for the council. This land was included as part of the Land Aggregation Scheme. However, this scheme was subsequently discontinued by the Dept., so leaving the council with the full burden of the relevant loan charges. The total repayments (principal and interest) for 2017 will be more than €156k. This is now a significant draw on the revenue budget of the council and it is incumbent on the council to seek to build on this land as soon as possible in order to reduce the burden quickly.

Pre-tender approval was sanctioned by the Dept. of Housing, Community and Local Government on 26th January 2016. Final budget approval of €1,549,991 was received from the Dept. on 8th June 2016. Construction commenced on site in July 2016 with a completion date of May 2017.

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 Rathvilly.

Objectives	Inputs	Activities	Outputs	Outcomes
<ul style="list-style-type: none">• To provide good quality houses.• 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. €1.5m.• An in-house project team managing the project.	<ul style="list-style-type: none">• Prepare a business plan for the project.• Calculate cost estimates.• Secure funding for the project.• Run a tender process ensuring compliance with procurement guidelines.• Manage the project with regular meetings with contractor.	<ul style="list-style-type: none">• 10 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 Carlow 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 Rathvilly from inception to conclusion in terms of major project/programme milestones



2009	11.32 acres purchased at Rathvilly
March 2015	Project Brief and plans submitted to Dept. of Housing, Planning, Community and Local Government
November 2015	Pre-Tender Budget submitted to Dept. for approval.
January 2016	HCA6 form received from Dept. approving pre-tender budget.
April 2016	Tender competition advertised on etenders.
June 2016	Stage 4 approval received from the Dept. approving post tender budget.
July 2016	Construction commences on site.
August 2016	Chief Executive Order signed to award the contract to successful tenderer.
May 2017	Completion Date

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 Rathvilly.

Project/Programme Key Documents	
Title	Details
Social Housing Strategy 2020 – Support Supply and Reform	Identified need to construct 35,000 new social housing units over a 6 year period to 2020
Project Brief	Outlines the demand for housing in the area and the proposal.
Progress Reports	Minutes of progress meetings with contractor.

Key Document 1: Social Housing Strategy 2020 – Support, Supply and Reform

The Social Housing Strategy 2020 was published by the Dept. of Housing, Planning, Community and Local Government on November 2014. One of the core pillars of the strategy is to 35,000 new social housing units, over a 6 year period, to meet the social housing supply requirements as determined by the Housing Agency.

Key Document 2: Project Brief

A project brief was prepared by Carlow County Council and submitted to the Dept. of Housing, Planning, Community and Local Government in March 2015. The project brief gives a brief background to the project and outlines the need for social houses in the area. It details the design brief, site selection and scheme layout. It also explains how the project will be managed and provides initial cost estimates.

The most recent appraisal guidance from the Department of Public Expenditure and Reform requires that the project brief should include clear objectives and provide a risk assessment to highlight constraints to achieving the objectives of the project.

The project brief expected works to commence in July 2015 and for construction to last 52 weeks. Actual works did not commence until July 2016 and will be completed by May 2017. I understand that it took some time to receive funding approval from the Dept. which resulted in the delay in commencement.

Key Document 3: Progress Reports

In order to manage the project, progress meetings with the contractor were held on site with minutes of the meetings kept as a record. Further to this, regular site inspections were made by staff of Carlow County Council. A clerk of works also visited the site daily and kept a record of same.

Section B - Step 4: Data Audit

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

Data Required	Use	Availability
Project Brief	Assess if project was appraised.	Yes
Funding applications to the Dept.	Assess if funding was sanctioned.	Yes
Report on tenders by QS	Assess procurement process.	Yes
Details of Expenditure on Project	Assess if project was within budget	Yes. Available from a gross financial management system
Progress reports and site inspections	Assess if works are being carried out as per the design plan and within the timeframe.	Yes. Minutes of progress meetings and site inspections kept on file.
No. of people housed.	Assess if housing needs are met.	Yes. On housing waiting list.

Post project review	Assess if project objectives were met and if the project was managed successfully.	Should be prepared after project is complete.
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Data Availability and Proposed Next Steps

The main objective of this project is to provide accommodation to people on the housing list. This will be achieved when the houses have been completed. An assessment on the suitability of the houses can only be assessed over a longer period of time. I would expect 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.

The necessary data is available on file to assess the financial assessment and the procurement process. 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.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for Housing Project at Rathvilly 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 housing project complies with the broad principals of the Public Spending Code.

The construction of social housing is in line with national policy. It is one of the key pillars of the policy document Social Housing Strategy 2020.

As is the case nationally, the demand for social housing in Carlow is high with over 1,300 on the housing waiting list. In order to secure funding from central government, Carlow County Council had to prove that there was a housing demand in the Rathvilly area. The Project Brief highlights this housing need. It also outlines the design brief and initial costings.

Preliminary approval was received from the Dept. of Housing, Planning, Community and Local Government on 26th January 2016. Post tender approval was received on the 8th June 2016.

The project was advertised on etenders with tenders to be returned by 4th May 2016. Report on the tenders was received from the contracted QS on the 13th May 2016.

As stated in the project brief, a project team was appointed to manage the project. Regular site visits and meetings with the contractor were also held.

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

The data to carry out a financial evaluation of the project is available on the agresso financial management system. It is difficult to calculate the social benefits of providing housing accommodation to people. Carlow County Council will provide ongoing assistance to residents to allow a community spirit to foster. This will have a positive impact on the lives of the residents. A post project review should try to calculate these social benefits.

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

At appraisal stage, there were no clear objectives set out in the project brief. Any obstacles or constraints to achieving the objectives should also have been investigated.

The project brief estimated that works would commence in July 2015 and be completed by Q3 2016. The actual works commenced in July 2016 with a completion date of Q2 2017. I understand that there were delays in receiving funding approval at the time.

It should be ensured that proper authorisation is received prior to any construction taking place. Construction on this project commenced in July 2016 while the Chief Executive Order was signed on the 17th August.

There was no project time line or “milestone points” set out in the project brief. These milestones could have been monitored through the construction phase and would have provided valuable reference points for the project team meetings and site progress reports.

A post project review should be carried out by the Project Team on the completed scheme to assess the positive and negatives of the project. All future project briefs should include an evaluation plan.

Section: In-Depth Check Summary

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

Summary of In-Depth Check

Overall, I find this project complies with the broad principals of the Public Spending Code.

The construction of social housing is in line with national housing policy. The project brief provided a detailed appraisal of the project. It also included details in relation to the design brief, site selection, project management arrangements and cost estimates. It demonstrated there was a clear housing need in the area. The houses were built on land already in the ownership of Carlow County Council and zoned for residential development. Pre-tender approval for funding was received from the Dept. of Housing, Planning, Community and Local Government. The tender was advertised on etenders in line with proper procurement procedures. The project was managed by a Project Team with experience and expertise in managing housing construction schemes.

I would recommend that an evaluation of the project be carried out within a specific time frame after the tenants have moved in to the houses. Its purpose is to 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.

