



**LAOIS COUNTY COUNCIL**

**Quality Assurance Report 2017**

**Issued by**

**LAOIS COUNTY COUNCIL**

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

**MAY 2018**

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## **Certification**

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

Signature of Chief Executive:

  
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John Mulholland  
Dated: 30<sup>th</sup> May 2018

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## 1. Introduction

Laois 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. The Public Spending Code ensures that the state achieves value for money in the use of all public funds. Details of the Public Spending Code can be found on the following website:

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

The Public Spend Code predominately refers to Government Department procedures and some of the terminology is very specific to that sector. In order to inform the QA exercise for the Local Government Sector, a Guidance Note was developed to assist in providing interpretations from a Local Government perspective.

This guidance note was further updated in February 2017 and has informed the completion of the 2017 report.

**The Quality Assurance Process contains five steps:**

### **1.1 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.

### **1.2 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.

### **1.3 Checklists to be completed in respect of the different stages.**

These checklists allow Laois County Council to self-assess its compliance with the code. The checklists are provided through the PSC document. Only one of each checklist per local authority is required.

#### **1.4 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 capital spend and 1% of current spend) are selected for an in-depth check. This includes a review of projects from initial appraisal right through to post implementation review.

#### **1.5 Complete a short report for the National Oversight and Audit Commission (NOAC)**

This includes the inventory of all projects, the website reference for the publication of procurements above €10m, the completed checklists, the Council's judgment 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 fulfils the fifth requirement of the QA process for Laois County Council. It is important to note that consideration of all current expenditure is carried out as part of the statutory Budget process as set out in the Local Government Act 2001 (as amended).

## **2. Inventory of Projects/Programmes**

This section contains an inventory list of all projects and programmes greater than €0.5m at various stages of the project life cycle. The inventory lists all Laois County Council's projects and programmes at various stages of the project life cycle which amount to more than €0.5m. The inventory list (Appendix 2) is divided between revenue expenditure and capital expenditure and between three stages:

<b>Project Inventory Reporting Criteria/Requirements</b>	
A. Expenditure being considered	Capital Grant Schemes greater than €0.5m Capital Projects between €5m - €20m Capital Projects over €20m Revenue Expenditure programme increases over €0.5m
B. Expenditure being incurred	Capital Projects greater than €0.5m Capital Grant Scheme greater than €0.5m Current Expenditure greater than €0.5m
C. Expenditure that has recently ended	Capital Projects greater than €0.5m Capital Grant Scheme greater than €0.5m Current Expenditure greater than €0.5m

The process described below was followed to identify projects and programmes that needed to be reported in the QA report:-

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



## **2.1 Expenditure being considered**

Appendix 2 contains the details of projects with a value greater than €0.5m that Laois County Council was considering during 2016. The total value of the twenty one capital projects listed is €64.06m. The four areas where projects were being considered for investment are in the Housing Directorate, with 16 projects valued at €59.56m, the Roads Directorate with 2 projects valued at €2.5m, the Economic Development Directorate with 1 project at €0.5m and the Emergency Services Directorate with one project valued at €1.5m. These projects are listed in the Capital Indicative Programme 2018 – 2020 adopted by the Members of Laois County Council in November 2017. The housing element forms part of the Social Housing Strategy 2020. There was an expansion of > €500,000 in the existing current expenditure in divisions D06 Community and Enterprise Function and H11 Agency & Recoupable. The increase in H11 Agency & Recoupable reflects Laois County Council's provision of the Local Authority's My-Pay shared service. The increase in D06 Community and Enterprise Function is in respect of an increase in Leader costs.

## **2.2 Expenditure being incurred**

Appendix 2 also contains the details of all areas of expenditure with a value greater than €0.5m being incurred by Laois County Council in 2017. Please note that as of the date of this report the 2017 expenditure is unaudited. In total there are 34 projects in this category. The total value of all these items of expenditure is €87.81m of which €29.49m relates to capital expenditure with the balance being revenue expenditure. The revenue expenditure, which totals €58.32m, relates to the normal day to day activities of the council such as roads maintenance, housing stock maintenance, water services maintenance, landfill operations, library operations etc together with the Maidenhead Road scheme. The majority of this expenditure relates to payroll. Full details of this expenditure is included in the Annual Financial Statement for 2017 which was approved by the members of Laois County Council at their meeting of 28<sup>th</sup> May 2018

## **2.3 Expenditure that has recently ended**

Appendix 2 also includes a summary of the inventory of expenditures above €0.5m recently ended. In total there are 7 projects, valued €15.34m completed. €5.82m relates to a one off buy out of the lease on County Hall buildings

# **3. Published Summary of Procurements over €10m**

The Quality Assurance process requires Laois County Council to publish all procurements in excess of €10M on our website. Laois County Council had no procurement in excess of €10M during 2017. This fact has been 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 Laois County Council, 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 Programme/Grant Schemes being considered
- Checklist 3:** New Current expenditure or expansion of existing 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 that (1) reached the end of its planned timeframe or (11) was discontinued

A full set of checklists 1-7 has been completed by Laois 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 Laois County Council is set out in Appendix 3. In addition to the self-assessed scoring, the vast majority of answers are accompanied by explanatory comments received from the Directorates. Each question in the checklist is judged by a 3 point scoring scheme as follows:-

- Scope for significant improvements = a score of 1
- Compliant but with some improvement necessary = a score of 2
- Broadly compliant = a score of 3

### 4.2 Main Issues Arising from Checklist Assessments

Checklist 7 did not apply to Laois County Council during 2017. This checklist deals with expenditure in excess of €500K incurred during 2017 but will not be incurred in future e.g. closure of landfill sites, transfers to central services etc.

The checklists completed for expenditure being considered and ongoing, by the various departments of Laois County Council display a relative high level of compliance with the Public Spend Code, However, additional work will have to be done in respect of carrying out post project reviews.



Laois County Council's emphasis is on achieving best value for money and managing projects in an effective, efficient and economical manner for the betterment of the county.

## 5. In-Depth Checks

Section 4 of the Public Spending Code requires Internal Audit to carry out an in-depth review of a sample of projects to ascertain the quality of the appraisal, planning and/or implementation stages in order to assess overall compliance with the Public Spending Code.

The projects selected for in-depth review each year are based on the criteria set out below:

- Capital Projects: Projects selected must represent a minimum of 5% of the total value of all Capital projects on the Project Inventory **(based over a three year average to achieve 15%)**
- Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all Revenue Projects on the Project Inventory **(Note 1 - Requirement introduced for 2016 QA Process onwards)**

The following table summarises the value of projects selected for in-depth review over the past three years:

Year	Total Project Inventory €mil	Total Capital Project Inventory €mil	Total Revenue Project Inventory €mil	Value of Capital Projects selected €mil	% of Projects selected of total Capital Inventory %	Value of Revenue Projects Selected €mil	% of Projects selected of total Revenue Inventory %
<b>2015</b>	291.43	243.09	48.34	6.00	2.1	Nil	Note 1
<b>2016</b>	135.75	82.575	53.18	7.53	7.38	1.196	2.2
<b>2017</b>	169.01	108.90	60.11	9.25	8.50	6.60	10.97
<b>Total over 3 yrs</b>	<b>596.19</b>	<b>434.56</b>	<b>161.63</b>	<b>22.78</b>	<b>17.98</b>	<b>7.796</b>	<b>13.17</b>

The above figures show that Laois County Council has achieved the three year average of 15% for Capital Projects (22.78%) and the new requirement of 1% for Revenue Projects (13.17%).

Three projects/programmes were selected for in-depth review in respect of 2017 as follows:

### 5.1 Capital:

- House Purchases 2015 – Acquisition of 29 no. of housing units @ a cost of €3,248,571
- Portlaoise Southern Circular Route -Construction of final phase of Portlaoise Southern Circular Route at a cost of €6m.

## **5.2 Revenue:**

- Payment of Salaries, Allowances, Gratuities and Expenses to Local Representatives, 2017 – Budget cost of €660,000.

**Full copies of the in-depth checks can be found at Appendix C**

## **5.3 Summary of In-Depth Checks**

### **5.3.1 House Purchases 2015**

#### **Acquisition of 29 no. housing units @ a cost of €3,248,571**

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of the House Purchases 2015 Social housing Capital Investment Programme. As part of the Social Housing Strategy 2015-2017 a target of 158 no. units was set out to be delivered under the following capital programmes i.e. Local Authority Construction & Acquisition, including Part V acquisitions, Capital Assistance Scheme and use of void properties. The main objective of this project was the acquisition of properties in 2015 to contribute to this target and reduce the Council's Housing Waiting List. 29 no. housing units were acquired and 29 families from the Council's waiting list were housed as a result.

The Council has followed the required process and procedures and ensured that Departmental approval is in place for each step of the process as per Circular 24/2015: Social Housing Capital Investment - Acquisition of Properties for Social Housing.

There is a clear audit trail on file including:

- Overall Procedures Manual
- Professional Independent Valuations on file for each property
- Engagement with Legal Advisers for contract preparation, agreement and completion.
- Signed Contracts for the purchase of each property
- Chief Executive Orders for the payment of purchase prices
- Engagement/Procurement of contractors for repairs when required.
- Fully completed and certified HCA 3 and HCA 4 forms, and independent property valuations submitted to the Department for recoupment of monies.
- Certified Folios and proof of ownership on file.

The main difficulty arose with regard to achieving properties with a minimum C1 BER rating within the approved purchase price ceiling limits. While this is an issue, the urgent need to acquire social housing at that time outweighed this consideration. In any case each property was inspected by relevant council staff to assess its suitability

for the Council's housing stock and necessary adaptations were carried out where required.

The purchase prices paid for the properties and adaptation works were within the ceiling limits as set down in Departmental guidelines.

### **5.3.2 Portlaoise Southern Circular Route -**

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Construction of final phase of Portlaoise Southern Circular Route €6m. It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of its responsibilities for the provision of the final phase of the Portlaoise Southern Circular Route. To date, the Council has followed the required procurement processes and procedures, and ensured that the necessary approvals have been obtained from the Department of Transport, Tourism and Sport, and An Bord Pleanála.

The project is currently at tender assessment stage for construction works, while land acquisition is ongoing.

There is a clear audit trail on file including back-up documentation for the procurement processes and the necessary approvals from Senior Management.

The Project Appraisal Report carried out by the Project Supervisor Design Stage (Consulting Engineers) dated May 2017 includes a Multi-Criteria Analysis which is a requirement of the Public Spending Code for projects costing between €5 million and €20 million.

The Consulting Engineers on the project have advised and set out in the Project Appraisal Report that the project would comply with the guidelines set out in "Common Appraisal Framework for Transport Projects and Programmes" published in March 2016 by the Department of Transport, Tourism and Sport. This document and the guidelines therein are consistent with the Public Spending Code.

The Consulting Engineers have also advised that the Construction Works which are expected to commence in June 2018 will be carried out in compliance with the Capital Works Management Framework which is also consistent with the Public Spending Code.

To date, this project which is currently at tender assessment stage, is in substantial compliance with the Public Spending Code.

### **5.3.3 Payment of Salaries, Allowances, Gratuities and Expenses to Local Representatives 2017**

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**Budget cost=€660,000.** It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of its

responsibilities for payments of salaries, allowances and expenses to Elected Members.

The Council has a statutory responsibility to make these payments based on Sections 142 and 143 of the Local Government Act 2001. Various circulars have issued since then setting out the regulations and rates applicable. Circular Letter LG 5/2015 – Domestic Subsistence Rates & Distance Requirements for Elected Members with effect from 1st July 2015, replaced all previous circulars and sets out the rates of subsistence allowance and standard distance requirements for Elected Members in accordance with the provisions of the Haddington Road Agreement. This circular covered the period from 1st July 2015 to the end of 2017 (the period of this review is in respect of 2017). The circular included allowances for expenses incurred by Elected Members of local authorities under Regulation 17 of the Local Government (Expenses of Local Authority Members) Regulations 2014 (S.I. No. 236 of 2014).

The budget for Representational Payments to Elected Members is included in the Council's overall budgetary process. Members Salaries, Gratuities, the Cathaoirleach's Allowances, Leas Cathaoirleach's Allowance and Municipal District Chairperson Allowance are paid by the payroll department and any required statutory deductions are carried out prior to payment. Expenses claims forms are checked and approved by Corporate Affairs Staff to ensure that the claims are in order before payment is made. Allowances are determined at the start of each year and these are paid on a monthly basis.

The budget for Elected Members Expenses was €660,191 in 2017, with actual expenditure of €614,561 incurred. Under-expenditure of €45,630 was recorded.

From an analysis and examination of the representational payments made to the 19 Elected Members in Laois County Council in 2017, it is the opinion of Internal Audit that these payments were carried out in substantial compliance with the Public Spending Code

## **6. Inadequacies Identified in QA Process**

The in depth checks for 2017 did not highlight any significant compliance issues in relation to the PSC. However continuing compliance will require ongoing monitoring and staff training.

## APPENDIX A



Local Authority <b>Laois County Council</b>	Expenditure being considered				Expenditure being incurred			Expenditure recently ended			NOTES
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Projects		Current Expenditure	> €0.5m		Current Expenditure	> €0.5m		
			€0.5 - €5m	€5 - €20m plus		Capital Grant Schemes	Capital Projects		Capital Grant Schemes	Capital Projects	
<b>Housing &amp; Building</b>											
A01 Maintenance/Improvement LA Housing								2,838,398			
A06 Support to Housing Capital Programme								867,625			
A07 RAS Programme								2,803,356			
A08 Housing Loans Programme								2,001,675			
A09 Housing Grants								1,157,334			
Housing Acquisition Programme						9,900,000					
Sophia Housing Association (CAS) Convent Site, Portlaoise						11,529,000					
Main Street Rathdowney (0115243C)				876,300							
Gleann na Glaise, Ballyroan (10) (0115238C)				1,762,900							
Main Street, Moorville Rathdowney (5) (0115243C)				876,300							
Respond Dev. Abbeyleix Road, Portlaoise, (012039C)				2,966,400							
Oaklee Housing Trust (CAS) Dev. St. Fintan's Hospital, Portlaoise (0128038C)				760,000							
Energy Retrofit - Better Energy Communities				750,000							

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			NOTES
	Current > €0.5m	Capital				> €0.5m	Capital Grant Schem	Capital Project s	Curren t Expen	Capital Grant Schem	Capital Project s	
		Capital Grant Schemes > €0.5m	€0.5 - €5m	€5 - €20m	€20m plus							
Laois County Council												
Shannon Street, Mountrath (8) (0115232C)				1,025,300								
O'Moore Place Regeneration				1,000,000								
Hepburn Court/ Knockmay, Portlaoise					15,000,000							
St Kierans, Errill (0115143C)				5,000,000								
Sean Doire, Durrow				5,000,000								
CALF – Tuath 39 Units- Corrig Glen				741,000								
Harbour Court, Mountmellick,				1,500,000								
Moorville, Rathdowney (5Units) (0115243C)				876,300								
Various CALF Proposals								576,700				
House Purchases 2017 (47 units) (0115239C)								5,890,000				
Ballymorris Road, Portarlinton (20) (0115239C)								4,297,000				
Pattison Mountmellick, (10) (0115233C)								1,130,000				
Conniberry Way 33 houses (0115184C)								4,797,000				
House Purchases 2015 (29 units) (0115234C)											3,248,572	
House Purchases 2016 (22Units) (0115236C)											1,969,410	
CAS Cluid 2015 (16 acquisitions)											2,169,638	



Local Authority Laois County Council												NOTES	
Expenditure being considered				Expenditure being incurred				Expenditure recently ended					
Current		Capital		Capital Grant Schemes >		Capital Projects		Capital Projects		Capital Grant Schemes		Current Expenditure	
> €0.5m	€0.5m	€0.5 - €5m	€5 - €20m	€20m plus									
Road Transportation and Safety													
B02 NS Road - Maintenance and Improvement													
B03 Regional Roads – Maintenance & Improvement													
B04 Local road – Maintenance and Improvement													
B05 Public Lighting													
B10 Support to Roads Capital Prog.													
N80 Maidenhead Scheme (B070117R)													
Portlaoise Southern Circular Route (022052C)													
Lyster Square (0225054C)													
Portarlington Canal Road													
Laneways Upgrade Scheme, Portlaoise													
Dysart Pavement Resurfacing (0222088C)													
N81 Graigue to Forest Upr Pavement Resurfacing 2017(022089C)													

Local Authority Laois County Council		Expenditure being considered			Expenditure being incurred			Expenditure recently ended			NOTES
		Current	Capital Grant Schemes >	Capital	^ €0.5m			^ €0.5m			
		> €0.5m	€0.5m	€0.5 - €5m	€5 - €20m	€20m plus	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Projects
<b>Water Services</b>											
C01 Operation & Maintenance of Water Supply							2,562,733				
C02 Operation & Maintenance of Waste Water Treatment							1,399,589				
<b>Development Management</b>											
D01 Forward Planning							581,805				
D02 Development Management							815,231				
D06 Community and Enterprise Function	820,285						1,517,202				
D09 Economic Development & Promotion							1,548,671				
Togher Enterprise Lands (0422017C)									3,000,000		
Servicing of lands at Abbeyleix				500,000							
<b>Environmental Services</b>											
E01 Landfill Operation and Aftercare							1,478,905				
E02 Op & Mfce of Recovery & Recycling Facilities							561,759				
E11 Operation of Fire Services							3,893,494				
Fire Station at Rathdowney				1,500,000							

## **APPENDIX B**



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

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 1 - 3	Discussion/Action Required
1.1 Does the local authority ensure, on an on-going basis, that appropriate people within the authority and its agencies are aware of the requirements of the Public Spending Code (incl. through training)?	3	All relevant staff and agencies have been notified of their obligations under the code.
1.2 Has training on the Public Spending Code been provided to relevant staff within the authority?	1	External training for 2 No staff on 26 <sup>th</sup> May 2016
1.3 Has the Public Spending Code been adapted for the type of project/programme that your local authority is responsible for? i.e., have adapted sectoral guidelines been developed?	3	Heads of Finance Working Group developed guidelines on adapting the PSC to Local Authorities structures and approach
1.4 Has the local authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	3	No funding greater than €500k granted
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies?	3	Yes. Recommendations are notified to relevant parties for review and application
1.6 Have recommendations from previous QA reports been acted upon?	2	Ongoing monitoring carried out by Internal Audit
1.7 Has an annual Public Spending Code QA report been certified by the Local Authority's Chief Executive, submitted to NOAC and published on the authority's website?	3	Yes
1.8 Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP?	3	Yes Required sample reviewed
1.9 Is there a process in place to plan for ex post evaluations/Post Project Reviews?  Ex-post evaluation is conducted after a certain period has passed since the completion of a target project with emphasis on the effectiveness and sustainability of the project.	3	Relevant staff have been reminded of their obligations to carry out post-project reviews as required and this will be checked by Internal Audit annually
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?	3	
1.11 Is there a process to follow up on the recommendations of previous evaluations/Post project reviews?	3	Relevant staff have been advised of this requirement and checks will be carried out by Internal Audit
1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions?	3	Relevant staff have been advised of this requirement and checks will be carried out by Internal Audit

**Checklist 2 - To be completed in respect of capital projects/programmes & capital grant schemes that were under consideration in the past year**

<b>Capital Expenditure being Considered – Appraisal and Approval</b>	<b>Self- Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
2.1 Was a preliminary appraisal undertaken for all projects > €5m?	2	Score relates to Housing Projects Not applicable to Roads Code Not required for Economic Development Code at time Fire = Project not commenced
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	2	Score relates to Housing Projects Not applicable to Roads Code Not required for Economic Development Code at time
2.3 Was a CBA/CEA completed for all projects exceeding €20m?	N/A	Not applicable to any Code
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	2	Score relates to Housing Projects Not applicable to Roads Code Not required for Economic Development Code at time
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	Score relates to Housing Projects Not applicable to Roads Code Economic Development code - To Be Commenced
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views?	N/A	Not applicable to Roads Code Not required for Economic Development Code at time
2.7 Were the NDFA consulted for projects costing more than €20m?	N/A	Not applicable to any Code
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?	N/A	Not applicable to Roads Code
2.9 Was approval granted to proceed to tender?	N/A	Not applicable to Roads Code
2.10 Were procurement rules complied with?	N/A	Not applicable to Roads Code Economic development Code = Tendering not commenced
2.11 Were State Aid rules checked for all supports?	N/A	Not applicable to Roads Code
2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	N/A	Not applicable to Roads Code
2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date?	1	Score relates to Housing Projects Score relates to Housing Projects Not applicable to Roads Code
2.14 Have steps been put in place to gather performance indicator data?	1	Score relates to Housing Projects Not applicable to Roads Code

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

Capital Expenditure being Considered – Appraisal and Approval	Self- Assessed Compliance Rating: 1 - 3	Comment/Action Required
3.1 Were objectives clearly set out?	3	My Pay - Extra staffing
3.2 Are objectives measurable in quantitative terms?	3	My Pay –Staff numbers
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	3	My Pay -Included in original business case
3.4 Was an appropriate appraisal method used?	3	My Pay-Peer Review
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	3	My Pay -Included in original business case
3.6 Did the business case include a section on piloting?	3	My Pay -Pilot in 2014
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	Applicable only to My Pay
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	3	Applicable only to My Pay
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	3	My pay – Evaluated prior to award by the PMO
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?		
3.11 Was the required approval granted?	3	
3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?		
3.13 If outsourcing was involved were procurement rules complied with?	3	
3.14 Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure programme which will allow for a robust evaluation at a later date?	3	Applicable only to My Pay
3.15 Have steps been put in place to gather performance indicator data?	3	Applicable only to My Pay



**Checklist 4 - To be completed in respect of capital projects/programmes & capital grants schemes incurring expenditure in the year under review**

Capital Expenditure being Considered – Appraisal and Approval	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	Does not yet apply to Economic Development Code Library Code - at design and site investigation stage—no contract signed
4.2 Did management boards/steering committees meet regularly as agreed?	3	
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	Yes
4.4 Were project managers, responsible for delivery, appointed and were the project managers at a suitably senior level for the scale of the project?	3	Yes
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Yes
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	2	Library Code –some delays Corporate code – variations arose under contract.
4.7 Did budgets have to be adjusted?	2	No
4.8 Were decisions on changes to budgets / time schedules made promptly?	3	
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.)	N/A	N/A
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?	N/A	N/A
4.11 If costs increased was approval received from the Sanctioning Authority?	3	Applies only to Corporate code
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	<ul style="list-style-type: none"> <li>Water Services-Annual Service Plan</li> <li>Planning – clear objectives</li> <li>Community - Objectives set in Business Plan / Team Plan</li> <li>LEO - As per Annual Enterprise Development Plan</li> <li>My Pay - Clear objectives set annually which are monitored by the Program board</li> <li>Sports- Annual Service Plan</li> </ul>
5.2 Are outputs well defined?	3	<ul style="list-style-type: none"> <li>Water services - Annual Service Plan</li> <li>Planning - Outcomes well defined</li> <li>Community - Objectives set in Business Plan / Team Plan</li> <li>Leo - Annual Targets Set for submission to Enterprise Ireland</li> <li>My pay - SLA in place with all clients</li> </ul>
5.3 Are outputs quantified on a regular basis?	3	<ul style="list-style-type: none"> <li>Water Services - Annual Service Plan</li> <li>Community – Objectives set in Business Plan / Team Plan</li> <li>LEO - Performance Monitoring System updated on a monthly basis and monitored by Enterprise Ireland</li> <li>My Pay - SLA in place with all clients</li> <li>Sports – quarterly and annually</li> </ul>
5.4 Is there a method for monitoring efficiency on an on-going basis?	3	<ul style="list-style-type: none"> <li>Water services - Annual Service Plan/ KPI</li> <li>Planning - Quarterly reports, incl PDP</li> <li>Community Objectives set in Business Plan / Team Plan</li> <li>LEO - Quarterly Cashflows submitted to EI to ensure compliance</li> <li>My Pay - SLA in place with all clients</li> <li>Sports- LECP –Action review</li> </ul>
5.5 Are outcomes well defined?	3	<ul style="list-style-type: none"> <li>Water Services - Annual Service Plan/ KPI</li> <li>Planning - Outcomes well defined</li> <li>Community – in reports</li> <li>LEO –Annual Employment Survey/ Outcomes are defined by no of new businesses set up/jobs created/uptake of LEO programmes</li> <li>My Pay - SLA in place with all clients</li> </ul>



5.6 Are outcomes quantified on a regular basis?	3	<ul style="list-style-type: none"> <li>Planning – Outcomes are quantified on a regular basis.</li> <li>Community – LECF actions, Business plan, Team plan.</li> <li>Leo – Annual Employment Survey carried out to ascertain number of new jobs created in LEO supported business/ monthly updates to EI through LEO performance monitoring scheme.</li> <li>My Pay – SLA in place with all clients</li> <li>Water Services Annual Service Plan/KPI.</li> </ul>
5.7 Are unit costings compiled for performance monitoring?	3	<ul style="list-style-type: none"> <li>My Pay - SLA in place with all clients</li> <li>Planning- Cost per capita is a PI</li> </ul>
5.8 Are other data compiled to monitor performance?	3	<ul style="list-style-type: none"> <li>Planning - National Performance Indicators, Quarterly Reports, End of Year Sign Offs</li> <li>LEO - Quarterly Cashflows submitted to EI/ Annual returns to EI/ Ongoing evaluation of LEO supports</li> <li>My Pay - SLA in place with all clients</li> </ul>
5.9 Is there a method for monitoring effectiveness on an on-going basis?	3	<ul style="list-style-type: none"> <li>Planning - Quarterly reports</li> <li>LEO - Performance Monitoring System updated on a monthly basis.</li> <li>My Pay - SLA in place with all clients</li> </ul>
5.10 Has the organisation engaged in any other 'evaluation proofing' of programmes/projects?	3	<ul style="list-style-type: none"> <li>LEO - All training programmes are evaluated on completion. Annual Business Reviews carried out on LEO supported clients/Employment Survey carried out annually to ascertain jobs created .</li> <li>My Pay - Governance review carried out in 2016</li> <li>Planning – This will be revised</li> <li>Community - Files available for audit</li> </ul>

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

Capital Expenditure Recently Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
6.1 How many post project reviews were completed in the year under review?	3	<ul style="list-style-type: none"> <li>Roads Code – Completed for both projects</li> <li>Corporate Code- Does not apply- lease agreement</li> <li>Library Code – no formal mechanism in place to review capital projects. Final account review in 2017</li> </ul>
6.2 Was a post project review completed for all projects/programmes exceeding €20m?	N/A	
6.3 Was a post project review completed for all capital grant schemes where the scheme both (1) had an annual value in excess of €30m and (2) where scheme duration was five years or more?	N/A	
6.4 Aside from projects over €20m and grant schemes over €30m, was the requirement to review 5% (Value) of all other projects adhered to?	3	<ul style="list-style-type: none"> <li>Roads Code – Completed for both projects</li> </ul>
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	
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	3	<ul style="list-style-type: none"> <li>Roads Code – Decision to carry out more in-house design to avoid cost increases</li> </ul>
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	3	
6.8 Were project reviews carried out by staffing resources independent of project implementation?	3	<ul style="list-style-type: none"> <li>Roads Code- review by TII.</li> </ul>

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

**Notes:**

- ❖ The scoring mechanism for the above checklists is as follows:
  - Scope for significant improvements = a score of 1
  - Compliant but with some improvement necessary = a score of 2
  - Broadly compliant = a score of 3
- ❖ For some questions, the scoring mechanism is not always strictly relevant. In these cases, it is appropriate to mark as N/A and provide the required information in the commentary box as appropriate.
- ❖ The focus should be on providing descriptive and contextual information to frame the compliance ratings and to address the issues raised for each question. It is also important to provide summary details of key analytical outputs covered in the sample for those questions which address compliance with appraisal/evaluation requirements i.e. the annual number of appraisals (e.g. Cost Benefit Analyses or Multi Criteria Analyses), evaluations (e.g. Post Project Reviews). Key analytical outputs undertaken but outside of the sample should also be noted in the report.

## APPENDIX C

## Quality Assurance: In Depth Check No.1

### Section A: Introduction

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

Programme or Project Information	
<b>Name</b>	House Purchases 2015- Social housing Capital Investment Programme
<b>Detail</b>	Social Housing Capital Investment Programme – Acquisition of properties for Social Housing
<b>Responsible Body</b>	Laois County Council
<b>Current Status</b>	Expenditure Recently ended
<b>Start Date</b>	April 2015
<b>End Date</b>	June 2016
<b>Overall Cost</b>	€3,248,571



## Project Description

The project involved the acquisition of properties for social housing in 2015 as part of the overall Social Housing Strategy 2015-2017. In letter dated 17<sup>th</sup> April 2015, the Department of the Environment, Community and Local Government set out the targets for delivery under the Social Housing Strategy for 2015, 2016 and 2017.

In respect of Laois County Council, the targets of units set for delivery under a range of housing programmes (see below) was set out as follows:

Current & Capital Targets 2015-2017 (No. of Housing Units)	Estimated cost of delivery (Current and Capital)
366 units	€31.1 million

### Current:

A target of 180 no. units was set for delivery under the Social Housing Current Expenditure Programme (SHCEP) for 2015 -2017 with 35 no. of these units to be delivered in 2015 (previously the Social Housing Leasing Initiative).

15 no. units were to be provided under the Rental Accommodation Scheme.

### A) Circular Housing 24/2015 issued 17th June 2015

On 17th June 2015 the Department of the Environment, Community & Local Government issued Circular Housing 24/2015 titled - ***Social Housing Capital Investment - Acquisition of properties for Social Housing.***

This circular set out the guidelines and parameters for the acquisition of properties under the following headings:

#### (i) Revised Ceilings for the acquisition of properties

Given the emphasis on achieving best value for exchequer investment and in response to the continuing fluctuation in house prices, the guidelines for exchequer-funded acquisitions of social housing units were revised to align with the market.

These revised ceilings were developed following consideration of available market data. It was intended that they would be updated on a regular basis to reflect movement in the market. The revised ceilings for Laois County Council replaced the

previous limits set out in Circular Housing 35/2011 which issued on 7<sup>th</sup> July 2011 as follows:

2 Bed Houses	Range	Lower	€60,000
	Range	Upper	€120,000
	Average/Benchmark		€90,000
3 Bed Houses	Range	Lower	€75,000
	Range	Upper	€165,000
	Average/Benchmark		€120,000
4 Bed Houses	Range	Lower	€90,000
	Range	Upper	€195,000
	Average/Benchmark		€142,500
2 Bed Apart	Range	Lower	€55,000
	Range	Upper	€115,000
	Average/Benchmark		€85,000

## (ii) Selecting Acquisitions for Social Housing

When identifying acquisitions for social housing purposes, local authorities were to ensure that all relevant issues were considered, particularly in line with the document 'Quality Housing for Sustainable Communities'. This included issues such as tenure mix/estate composition, specific local needs, etc.

Housing authorities were to ensure that acquisitions were cost effective and sustainable and, where possible, be purchased in a 'fit-for-purpose' condition to enable immediate occupancy. Adaptations where necessary should only have been minor in nature, with any necessary works completed as soon as possible following purchase.

## (iii) Application of Acquisition Cost Guidelines

The threshold limits referenced cost ranges within non-rural centres. Low and upper ranges were stated, along with an average/benchmark cost which was representative of the average range of current stock value across the local authority area. All guidelines were representative of stock having a minimum C1 BER rating, being in good condition and ready for occupancy.

Each local authority could make individual purchases up to the value of the 'upper range'; however the aggregate average price of all purchases could not exceed the 'average/benchmark' figure for each local authority.

Departmental approval was not required to acquire single dwellings provided that:

- The total capital cost - including any necessary upgrade to achieve the required standard - **did not exceed** the ceiling cost for the area;

- In combination with activity with other capital programmes, acquisitions did not lead to the social housing targets set for the local authority being exceeded; and
- Acquisitions complied with the general Principles Underpinning the Purchase of Houses and Apartments for Social Housing Needs (Appendix 1).

In addition, local authorities could acquire suitable dwellings in blocks or estates where this addressed particular housing need. Local authorities had delegated sanction for the acquisition of such dwellings where the total value was less than €600,000. In all cases the dwellings had to comply with Building Regulations, had to be professionally valued, had to fall within the appropriate price bands and comply with the general Principles Underpinning the Purchase of Houses and Apartments for Social Housing Needs (Appendix 1).

Where a number of units were purchased as part of a single transaction for more than €600,000, the local authority was required to submit a Project Appraisal Submission and Form HC A3 to the Department seeking inclusion of the project in the investment programme for social housing as set out in Appendix 2.

#### **(iv) Part V Acquisitions**

The following conditions applied to the acquisition of social housing under Part V agreements. In all cases, the cost of the dwellings were required to have regard to the 'All in Unit Cost Ceiling' for the local authority area.

In addition:

- the Part V agreement had to be certified as complying with any Part V guidance and any relevant Ministerial Policy Directive under sections 28 and 29 of the Planning and Development Acts, respectively, and any relevant Department Circular by a suitably qualified person (e.g. local authority Quantity Surveyor or consultant Quantity Surveyor retained by the local authority);
- architectural approval was required of the design of the accommodation being acquired in the agreement as being suitable for the purposes for which it was being acquired and that the dwellings complied with the Building Regulations; and
- the requirements governing the concluding of Part V agreements were required to be fully complied with by local authorities.

Where a Project Appraisal Submission was required, it had to be submitted to the Department as early as possible in the planning process of the project.

#### **(v) Recoupment of Acquisition Costs**

The costs that could be recouped to the local authority by the Department included:-

- Capital cost of acquiring a property;

- Upgrade costs to bring to the required standard providing that the all-in cost (purchase plus upgrade) compared favourably with the average benchmark figure set; and
- Related legal and professional fees (subject to a maximum of 1.5% of the property price).

**(vi) Applicable date**

The newly revised guidelines would apply to acquisitions where contracts are signed after 1 July 2015.

**(vii) Market Check**

Each local authority was required to ensure that all acquisitions did not exceed the market value for the properties and an independent valuation had to be obtained prior to reaching agreement on price.

**(viii) Principles Underpinning the Purchase of Houses and Apartments for Social Housing Needs**

The following principles were required to underpin unit purchases for social housing needs:

- The acquisitions policy of the local authority was to reflect the importance of mixed tenure in the provision of social housing and local authorities should have a clear rationale for acquiring units;
- Acquisitions of dwellings were not to be concentrated in any given area;
- Acquisitions of dwellings by local authorities should be managed in a manner that did not unduly impact the local housing market;
- In special limited circumstances, an authority could acquire a dwelling(s) that exceeded the ceiling limit subject to the prior approval of the Department.
- A written request setting out the circumstances was required to be sent to the Department;
- Local authorities were required to observe proper procurement practices in all cases, including advertising its acquisitions policy as appropriate;
- Local authorities were encouraged to consider the option of purchasing older, multi dwelling buildings that with appropriate improvements could provide good quality accommodation for particular categories of need, especially in inner city areas;
- Local authorities were required to carry out proper technical evaluation of all acquisitions and to ensure that all dwellings acquired complied with statutory building regulations and fire safety; and
- Before purchasing a dwelling[s] the local authority was required to obtain a professional valuation of the property or properties in question and the amount paid could not exceed this valuation.



**(ix) Project Appraisal Submission [For Acquisitions]**

The purpose of the Project Appraisal Submission was to enable the Department to undertake an appraisal of the project for the purpose of determining if it should be included in the investment programme for social housing. The submission to the Department was required to contain the following information:

- A short description of the properties being acquired/constructed, their location, type, condition and the number of bedrooms in each type of dwelling;
- A short statement explaining how the proposal fit into the overall plans of the authority as set out in its “capital” housing target under the Social Housing Strategy, in particular the demonstration of need;
- Confirmation that the project met design quality criteria as set out in the Department’s Social Housing Design Guidelines;
- Details of the costs, including any service or ancillary charges, together with confirmation that in the opinion of the authority the proposal represented good value for money;
- Confirmation that the project complied with the appropriate building standards and had the necessary planning consents.

*The Project Appraisal Submission was to be accompanied by Form HC A3 and submitted to the Social Housing Capital Investment Unit.*

**B) Laois County Council – Procedure for the Acquisition of Housing Units**

The Council has a comprehensive procedures manual for the acquisition of housing units set out under the following headings:

- (i) Introduction**
- (ii) Legislation/ Regulations/Directives/Guidelines**
- (iii) Staff Structure & Roles and responsibilities as set out in PMDS**
- (iv) ICT systems – Files & Folders**
- (v) Agresso Job Codes & Financial Info**
- (vi) Work Process/ Step-by-step Procedures**
- (vii) Other Data/Information**

The work process/step by step procedures set out in section 6.0 in the manual is comprehensive, and details all the steps necessary to complete acquisitions in a timely and efficient manner.

### **C) Summary**

Laois County Council acquired a total of 29 no. properties in 2015 as part of its housing capital programme delivery target for the period 2015 – 2017. The objectives of this review are to assess the compliance of these house purchases with the Public Spending Code. The assessment is carried out on the basis of and compliance with guidelines and parameters issued by the Department of the Environment, Community & Local Government during 2015, in particular letter dated 17th April 2015 titled “Targets for delivery under the Social Housing Strategy 2015, 2016 and 2017” and Circular Housing 24/2015 dated 17th June 2015. Details of the guidelines and parameters have been outlined above.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, the Council's Internal Audit has completed a Programme Logic Model (PLM) for the **House Purchases 2015 Social housing Cap. Invest. Prog.** A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

<i>Objectives</i>	<i>Inputs</i>	<i>Activities</i>	<i>Outputs</i>	<i>Outcomes</i>
<p>The purchase of 29 units for Social Housing at various locations</p> <p>A Reduction in the Council's Housing Waiting List by 29 family units.</p>	<p>€3,248,941 of capital expenditure</p> <p>Staff Back-up support of an administrative and technical nature</p>	<ol style="list-style-type: none"> <li>1. House Selection</li> <li>2. House Inspection</li> <li>3. Engagement with Vendor/Estate Agents.</li> <li>4. Obtain independent professional valuation certificate</li> <li>5. Engagement with Legal Advisers for contract preparation, agreement and completion.</li> <li>6. Engage/Procure contractor for repairs when required.</li> <li>7. Submit fully completed and certified HCA 3 and HCA 4 forms, and independent property valuation to Dept for recoupment of monies.</li> </ol>	<p>29 New Social Housing Units available to Laois County Council to reduce the Housing Waiting List</p>	<p>29 Housing Units purchased and rented out to tenants on the Council's waiting list.</p>

## **Description of Programme Logic Model**

**Objectives:** The main objective of this project was the acquisition of properties for Social Housing Units to house applicants on the Council's Housing Waiting List. 29 no. properties were purchased during 2015. This would have the effect of reducing the Housing Waiting List by 29 no. families.

**Inputs:** The primary input to the project was capital funding of €3,248,941 which was provided for by the Department of Environment, Community, & Local Government. It also required administrative and technical back-up support from Laois County Council staff.

**Activities:** There were a number of key activities carried out throughout the project to date including:

- (i) **House Selections.**
- (ii) **House Inspections.**
- (iii) **Engagement with Vendors/Estate Agents.**
- (iv) **Obtaining an independent professional valuation certificate**
- (v) **Engagement with Legal Advisers for contract preparation, agreement and completion.**
- (vi) **Engage/Procure contractor for repairs when required.**
- (vii) **Submit fully completed and certified HCA 3 and HCA 4 forms, and independent property valuation to Dept for recoupment of monies.**

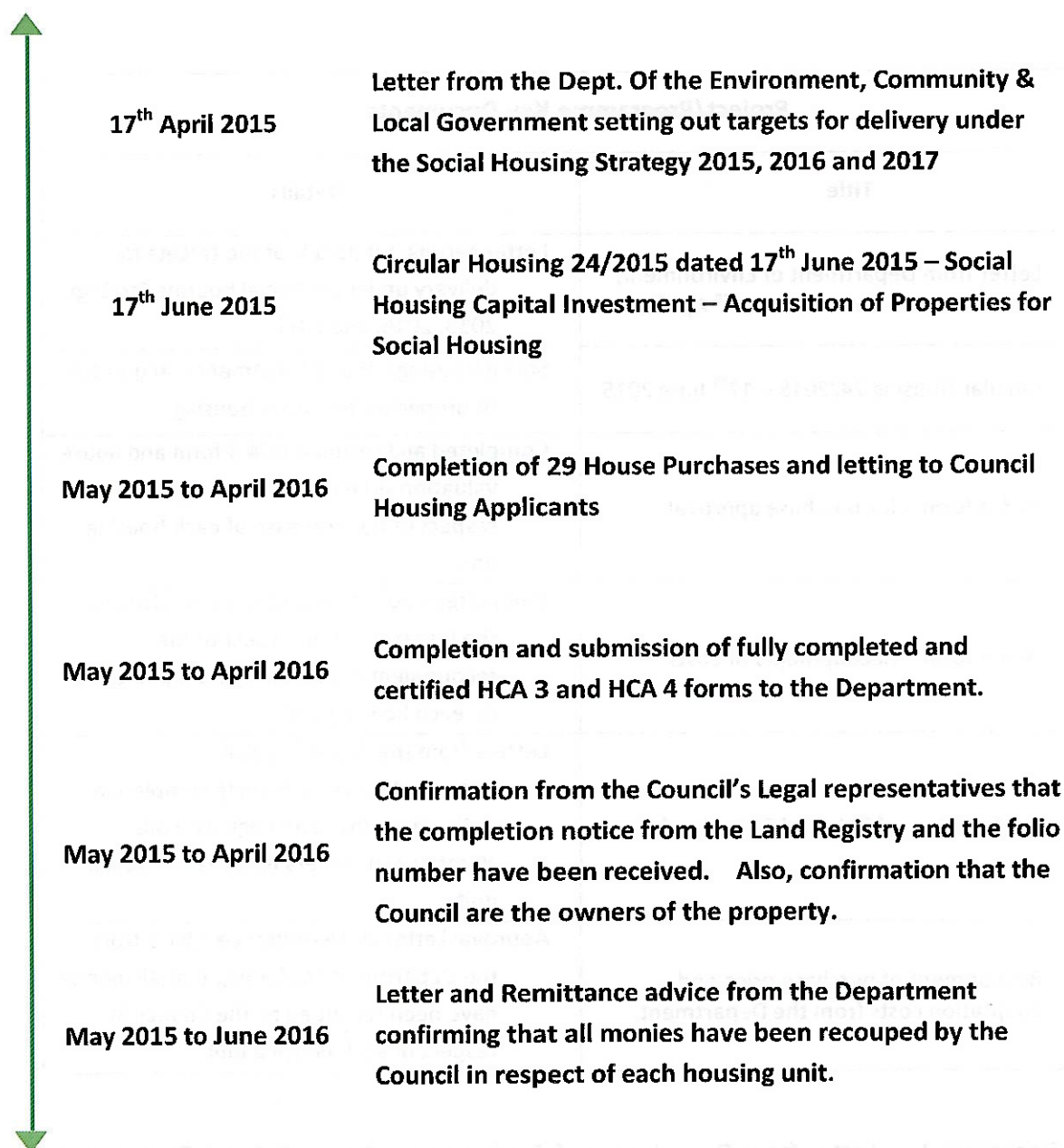
**Outputs:** The 29 No. Housing Units were purchased during 2015-2016.

**Outcomes:** The outcome of the project was to provide 29 No. Social Housing Units for 29 family units on the Council's Waiting List.



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

The following section tracks the **House Purchases 2015 Social housing Capital Investment Programme** from inception to conclusion in terms of major project/programme milestones



### **Section B - Step 3: Analysis of Key Documents**

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the acquisition of 29 houses in 2015 as part of the Social housing Capital Investment Programme 2015 -2017.

<b>Project/Programme Key Documents</b>	
<b>Title</b>	<b>Details</b>
1. Letter from Department of Environment, Comm & Local Govt. Dated 17 <sup>th</sup> April 2015	Letter setting out details of the targets for delivery under the Social housing Strategy 2015, 2016, and 2017
2. Circular Housing 24/2015 – 17 <sup>th</sup> June 2015	Social Housing Capital Investment – Acquisition of properties for Social Housing
3. HCA 3 form – for purchase approval	Completed and certified HCA 3 form and house valuation submitted to the Department in respect of the purchase of each housing unit.
4. HCA 4 form – Recoupments of costs	Completed and certified HCA 4 submitted to the Department in respect of the recoupment of purchase and repair costs of each housing unit.
5. Confirmation of Title and Folio Numbers	Letters from the Council's Legal Representatives confirming completion notice from the Land Registry, Folio Number and ownership of each housing unit.
6. Recoupment of purchase price and adaptation costs from the Department.	Approval Letter and Remittance advice from the Department confirming that all monies have been recouped by the Council in respect of each housing unit.

#### **Key Document 1: Letter from Department of Environment, Comm & Local Govt. dated 17th April 2015**

In letter dated 17<sup>th</sup> April 2015, the Department of the Environment, Community and Local Government set out the targets for delivery under the Social Housing Strategy for 2015, 2016 and 2017.

Cont'd...

In respect of Laois County Council, the targets of units set for delivery under a range of housing programmes (see below) was set out as follows:

Current & Capital Targets 2015-2017 (No. of Housing Units)	Estimated cost of delivery (Current and Capital)
366 units	€31.1 million

#### **Capital:**

A target of 158 no. units was set out to be delivered under the following capital programmes i.e. Local Authority Construction & Acquisition, including Part V acquisitions, Capital Assistance Scheme and use of void properties. The provisional Capital Allocation to support this target was €29.4m.

This review focuses on acquisition of properties during 2015 only when a total of 29 no. housing units were acquired (**out of the 3 year overall target of 158 no. units above**).

#### **Key Document 2: Circular Housing 24/2015 dated 17th June 2015**

On 17<sup>th</sup> June 2015 the Department of the Environment, Community & Local Government issued Circular Housing 24/2015 titled - **Social Housing Capital Investment - Acquisition of properties for Social Housing**.

This circular set out the guidelines and parameters for the acquisition of properties under the following headings:

- **Revised Ceilings for the acquisition of properties**
- **Selecting Acquisitions for Social Housing**
- **Application of Acquisition Cost Guidelines**
- **Part V Acquisitions**
- **Recoupment of Acquisition Costs**
- **Applicable date**
- **Market Check**
- **Principles Underpinning the Purchase of Houses and Apartments for Social Housing Needs**
- **Project Appraisal Submission [For Acquisitions]**

The Council was obliged to comply with the criteria set out in this circular for the acquisition of housing units.

**Key Document 3: HCA 3 form**

A completed and certified HCA 3 form and independent professional valuation had to be submitted to the Department prior to the purchase of each housing unit. Purchases could only proceed based on approval following submission of these details.

**Key Document 4: HCA 4 form**

The Council was required to submit a completed and certified HCA 4 to the Department to recoup the purchase price costs and adaptation costs of each housing unit.

**Key Document 5: Legal Representatives – Title, Folio and Ownership**

The Council's Legal Representatives submitted a letter confirming the completion notice from the Land Registry, Folio Number and ownership of each housing unit.

**Key Document 6: Letters confirming approval of recoupments and remittance advices**

Approval Letter and Remittance advice from the Department confirming that all monies have been recouped by the Council in respect of each housing unit.



## **Section B - Step 4: Data Audit**

The following section details the data audit that was carried out for the House Purchases 2015 Social housing Capital Investment Programme. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

<b><i>Data Required</i></b>	<b><i>Use</i></b>	<b><i>Availability</i></b>
Professional Independent Valuation of each unit	Assess market value of property	Available from files
Contract documents	Assess successful completion of contract documents	Available from files
Overall Level of Project Expenditure	Measure Programme Inputs	Available from files and Agresso Financial Management System
Break-down of Costs of the project expenditure	For comparison purposes with future schemes	Available from files and Agresso Financial Management System
Average Cost of each housing unit provided	For comparison purposes with future schemes	Available from files and Agresso Financial Management System
No. of families/housing applicants accommodated	Reduce Council Housing Waiting List	Available from files

### **Data Availability and Proposed Next Steps**

Most of the appropriate data for the future evaluation of the project/programme will be available when required. A full break-down of the costs and expenditures can be obtained from the Agresso Financial Management System and any other required information will be on file. A formal full post-project review was not completed. However, the file was not closed for each property purchased until such time as notification was received from the Council's Solicitors that the property was registered in the Council's name with the PRA.

A full post – project review should detail the total number of families and individuals housed as a result of this project and the corresponding reduction in the Council's Housing Waiting List.

## Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for the House Purchases 2015 Social housing Capital Investment Programme based on the findings from the previous sections of this report.

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

This in-depth check has shown that the project complies substantially with the standards set out in the Public Spending Code.

The project involved the acquisition of properties for social housing in 2015-2016 as part of the overall Social Housing Strategy 2015-2017. In letter dated 17<sup>th</sup> April 2015, the Department of the Environment, Community and Local Government set out the targets for delivery under the Social Housing Strategy for 2015, 2016 and 2017.

In respect of Laois County Council, the targets of units set for delivery under a range of housing programmes (see below) was set out as follows:























Current & Capital Targets 2015-2017 (No. of Housing Units)	Estimated cost of delivery (Current and Capital)
366 units	€31.1 million

On 17<sup>th</sup> June 2015 the Department of the Environment, Community & Local Government issued Circular Housing 24/2015 titled - **Social Housing Capital Investment - Acquisition of properties for Social Housing.**

This circular set out the guidelines and parameters for the acquisition of properties under a number of headings (previously outlined in this report). The Council was obliged to comply with the criteria set out in this circular for the acquisition of housing units.

Cont'd...

In order to assess compliance with the above requirements the following checklist was completed in respect of each file:

-  **Property Address?**
-  **No. of bedrooms?**
-  **Purchase Price?**
-  **Within Revised Ceiling limits as per Circular 24/2015?**
-  **Cost of Additional adaptation works?**
-  **Within Revised Ceiling limit incl. adaptation?**
-  **If no, prior approval from Dept?**
-  **Mixed Tenure?**
-  **Geographical Spread?**
-  **Undue impact on local housing market?**
-  **Proper Procurement?**
-  **Technical Evaluation carried out?**
-  **Minimum C1 BER rating?**
-  **Complied with stat. Building Regs?**
-  **Complied with Stat. Fire Safety requirements?**
-  **Independent Professional Valuation on file?**
-  **Contract signed and sealed on file?**
-  **Chief Exec. Order - Deposit & Balance?**
-  **Property Registered to LCC?**
-  **Form HC A3 submitted?**
-  **Form HC A4 submitted?**
-  **Recoupment Received from Dept?**

In almost all instances there was full compliance with the above requirements. The main issue that arose was in relation to purchasing of houses with a minimum C1 BER Cert (26 out of the 29 units did not meet this standard). Housing Management advised that due to the lack of housing supply at this time and the price limits set down by the Department as detailed previously, it was very difficult to comply with these criteria. Decisions were taken to purchase properties outside the minimum BER Cert range on the basis of the acute need for housing units at that time, as well as the number of vacant houses in the County that were not occupied for various reasons.

A check was also carried out on the application of Acquisition Cost Guidelines which were set down by the Department (the aggregate average price of all purchases should not exceed the 'average/benchmark' figure for each local authority). The Council was in substantial compliance with this condition.

From an analysis of the process in terms of the timelines, key milestones and documents for this project it is evident that the project was in substantial compliance with the standards set out in the Public Spending Code and guidance issued from the Department of the Environment, Community & Local Government. There is a clear audit trail on file of the required documentation and approvals for each stage of the project up to the final registration of the property into the Council's ownership and the recoupment of costs from the Department.

However, the scheme would benefit from having a brief full post-project evaluation being carried out and placed on file.

**I. 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 and information on file to ensure that the project can be subjected to a full evaluation at a later date. There is a clear audit trail on the file from the start of each purchase to the registration of the property into the Council's ownership. The scheme has the benefit of having clear outcomes and benefits established from an early stage, i.e. 29 families were housed when the scheme was completed.

However, a full post project review should have been carried out when the scheme was completed. This would have set out any issues/difficulties encountered as the scheme progressed and how these issues were dealt with.

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

There was a clear audit trail on every file and there was substantial compliance with the requirements set out in Circular 24/2015: Social Housing Capital Investment - Acquisition of Properties for Social Housing.

As previously outlined the project would benefit from having a full post-project evaluation carried out setting out the outcomes of the scheme, the overall costs involved, and any improvements that could be made for similar future projects.



## **Section B: In-Depth Check Summary**

The following section presents a summary of the findings of this In-Depth Check on the House Purchases 2015 Social housing Capital Investment Programme.

### **Summary of In-Depth Check**

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of the House Purchases 2015 Social housing Capital Investment Programme. As part of the Social Housing Strategy 2015-2017 a target of 158 no. units was set out to be delivered under the following capital programmes i.e. Local Authority Construction & Acquisition, including Part V acquisitions, Capital Assistance Scheme and use of void properties. The main objective of this project was the acquisition of properties in 2015 to contribute to this target and reduce the Council's Housing Waiting List. 29 no. housing units were acquired and 29 families from the Council's waiting list were housed as a result.

The Council has followed the required process and procedures and ensured that Departmental approval is in place for each step of the process as per Circular 24/2015: Social Housing Capital Investment - Acquisition of Properties for Social Housing.

There is a clear audit trail on file including:

- (a)** Overall Procedures Manual
- (b)** Professional Independent Valuations on file for each property
- (c)** Engagement with Legal Advisers for contract preparation, agreement and completion.
- (d)** Signed Contracts for the purchase of each property
- (e)** Chief Executive Orders for the payment of purchase prices
- (f)** Engagement/Procurement of contractors for repairs when required.
- (g)** Fully completed and certified HCA 3 and HCA 4 forms, and independent property valuations submitted to the Dept for recoupment of monies.
- (h)** Certified Folios and proof of ownership on file.

The main difficulty arose with regard to achieving properties with a minimum C1 BER rating within the approved purchase price ceiling limits. While this is an issue, the urgent need to acquire social housing at that time outweighed this consideration. In any case each property was inspected by relevant council staff to assess its suitability for the Council's housing stock and necessary adaptations were carried out where required.

The purchase prices paid for the properties and adaptation works were for the most part within the ceiling limits as set down in Departmental guidelines.

## Quality Assurance – In Depth Check No. 2

### Section A: Introduction

Programme or Project Information	
<b>Name</b>	Portlaoise Southern Circular Route Extension
<b>Detail</b>	Completion of the Portlaoise Southern Circular Extension which will reduce congestion in the centre of Portlaoise Town by providing an alternative route for traffic
<b>Responsible Body</b>	Laois County Council
<b>Current Status</b>	Expenditure Under Consideration
<b>Start Date</b>	May 2016
<b>End Date</b>	July 2019 (Substantial Completion)
<b>Overall Cost</b>	€6 million

## **Project Description**

### **Background**

In 2000, Laois County Council prepared an Integrated Framework Plan for Land Use and Transportation (LUTS) in Portlaoise. The resulting strategy identified at that time was that future land use should facilitate the development of the town in an independent and self-sustaining manner. It was recognised that this strategy would require the orderly and well managed expansion of the town's residential population complemented by the planned provision of infrastructure and services. The development of orbital/circular roads was seen as a principal infrastructural requirement to increase integration of residential and employment areas within Portlaoise and to reduce pressure on the Town Centre.

The route for the Portlaoise Southern Circular Road which is described in the current Portlaoise Local Area Plan 2012 -2018 was initially established in the Portlaoise Local Area Plan 2001 – 2006.

Construction of the Portlaoise Southern Circular Route has been carried out on a phased basis over a period of several years with the current proposal set to complete the last phase of the project. The budgeted cost of the scheme is €6m.

### **A) Population Growth and Need for Scheme**

Portlaoise has experienced significant population growth in recent years. The following table summarises population increases in Portlaoise since 1991. During the 10 year period 2006 – 2016 it has increased by over 50%. This has placed huge demands on the town's infrastructure and on its shopping, education, residential and recreational facilities.

<b>Census Year</b>	<b>Population</b>
1991	8,360
1996	9,474
2001	12,127
2006	14,613
2011	20,145
2016	22,050

Construction of the Portlaoise Southern Circular Route Extension will complete the entire Portlaoise Southern Circular Road between the Stradbally Road and the Mountrath Road, Portlaoise. The scheme will reduce congestion in the centre of Portlaoise by providing an alternative route for traffic which does not otherwise need to travel through the Town Centre. This in turn will reduce travel times both for traffic using the Portlaoise Southern Circular Road and for the remaining traffic using the Town Centre.

The accessibility of the Town Centre will be improved by reducing through traffic and this will enhance its role as the commercial and social centre of Portlaoise.

The scheme will improve facilities for vulnerable road users, and will provide continuous pedestrian and cyclist facilities between the N80 Stradbally Road and the N77 Abbeyleix Road.

The new road will improve accessibility and traffic flows around the vicinity of the two new Primary Schools which have been built between the Timahoe Road and the Stradbally Road, Portlaoise.

Completion of the Portlaoise Southern Circular route will:

- Deliver value for money by completing the final outstanding link in the Portlaoise Southern Circular Route and thus ensuring that the benefit from the previous investment in this orbital route is fully maximised.
- Assist the development of Portlaoise in an orderly fashion that complies with and meets the stated objectives of the Portlaoise Local Area Plan 2012 -2018 which itself sits in the hierarchy of national plans.
- Add to the development of a safer, more efficient and integrated transport system within and around Portlaoise by improving the road network, cycleways and pedestrian facilities, particularly with the opening of two new primary schools in 2017.

### **Objectives & Criteria**

Objectives and criteria have been developed that reflect the existing problems and the identified need for the scheme which are summarised as follows:

**Economy:** to provide a means within two years of fully maximising the previous financial investment in the construction of the previous phases of the Portlaoise Southern Circular Route, to reduce congestion in Portlaoise and allow for its continued and orderly development while delivering economic benefits by reducing vehicle operating and time costs.

**Environment:** to enhance the environment by reducing emissions associated with traffic congestion and to ensure that significant environmental impacts are avoided in the design and implementation of the scheme.

**Accessibility & Social Inclusion:** to provide for –

- i. Greater accessibility for vulnerable road users, particularly those travelling to and from all areas of Portlaoise to the new school campus opened in 2017;
- ii. Greater accessibility to the Town Centre thereby enhancing its role as the heart of Portlaoise

**Integration:** To be consistent with the Portlaoise Local Area Plan 2012 – 2018 and in particular with land-use strategies and to avoid any constraints on any future scheme to improve the N80 regionally.



**Safety:** To improve traffic safety and to provide a safer environment for all road users.

## **Common Appraisal Framework for Transport Projects and Programmes – March 2016**

The Common Appraisal Framework for Transport Projects and Programmes issued by the Department of Transport, Tourism and Sport in March 2016 is a guidance document which sets out a common framework for the appraisal of transport investments that is consistent with the Public Spending Code (PSC) and also elaborates on the Public Spending Code in respect of the appraisal of transport projects and programmes to assist scheme promoters in constructing robust and comparable business cases for submission to Government.

### **Common Appraisal Framework overview**

The guidance document is presented in 7 sections as detailed below.

**Section 1 – Overview of project development process**



**Section 2 – Preliminary Appraisal**



**Section 3 – Overview of the detailed appraisal process**



**Section 4 – Appraisal Techniques**



**Section 5 – Guidance on Appraisal Parameters**



**Section 6 – Evaluation : Monitoring : Implementation**



**Section 7 – Templates**

The first section provides an overview of the project development process. The second section outlines the process for Preliminary Appraisal. The third section provides an overview of the Detailed Appraisal process and the fourth section provides Detailed Guidance in relation to the appraisal types introduced in the previous section. The fifth section provides guidance on both central government and transport specific parameters for use in economic appraisal. The sixth section gives details on the process to be carried when evaluating, implementing and monitoring a programme or project. The seventh

section outlines the templates that should be used when reporting quantitative and qualitative results of the appraisal.

## **B) The Public Spending Code - Capital Expenditure Appraisal Thresholds**

The thresholds and methodologies for appraisal set out in the PSC are as follows:

- The least detailed assessment should be carried out for minor projects with an estimated cost **below €0.5 million**, such as projects involving minor refurbishment works, fit-outs, etc.
- Projects costing **between €0.5 million and €5 million** should be subject to a single appraisal incorporating elements of a preliminary and detailed appraisal.
- Projects between **€5 million and €20 million** should be subject to preliminary and detailed appraisal which includes at least a Multi-Criteria Analysis (MCA). Where the DTTaS is the Sanctioning Authority, business cases (including financial and economic appraisal) should be submitted to the relevant division to ensure policy consistency and the EFEU to ensure robust assumptions and methodology.
- Projects with life time costs of **over €20 million** should have a Cost Benefit Analysis (CBA) carried out. Prior to Preliminary Appraisal, Sponsoring Agencies and/or Sanctioning Authorities<sup>2</sup> should contact the EFEU to agree assumptions and constraints. Before the business case is submitted for Approval in Principle, it should be submitted to the relevant DTTaS Line Division. It should then be passed on to Central Expenditure Evaluation Unit in the Department of Public Expenditure and Reform for their views. In terms of project financing (including Public Private Partnerships) the Sponsoring Agency/ Sanctioning Authority should seek the advice of the National Development Finance Agency (NDFA) on all projects above €20 million. The Sponsoring Agency/ Sanctioning Authority should also consider the option of procuring by Public Private Partnerships (PPP) as part of the project appraisal. Separate guidance on PPPs is available at [www.ppp.gov.ie](http://www.ppp.gov.ie). All Capital Projects costing greater than €20 million are to be subject of a post-project review.
- Capital Grant Schemes with an annual value in **excess of €30 million and of 5 years or more** duration are to be subject to prior and mid-term evaluation at the beginning and mid-point of each 5 year cycle or as may be agreed with the Department of Public Expenditure and Reform.
- The Public Spending Code determines that as a rule, the Government will be the Sanctioning Authority for very large projects, **costing more than €100 million**, but the Government could also be the Sanctioning Authority for projects below this value. Where the Government is the Sanctioning Authority, the Government may choose to delegate the day to day oversight functions of a Sanctioning Authority to the line Department or Agency. Where projects incur large development costs (greater than €5m), the Sponsoring Agency/Sanctioning Authority should submit a preliminary appraisal report to DTTAS assessing the justification for the scale of investment for consideration and discussion in advance of proceeding with the project.
- choose to delegate the day to day oversight functions of a Sanctioning Authority to the line Department or Agency. Where projects incur **large development costs (greater than €5 million)**, the Sponsoring Agency/Sanctioning Authority should

submit a preliminary appraisal report to DTTAS assessing the justification for the scale of investment for consideration and discussion in advance of proceeding with the project.

Based on the Capital Expenditure Thresholds outlined above, the last phase of the Portlaoise Southern Circular Route (Project Costing between €5 million and €20 million) should be subject to preliminary and detailed appraisal which includes at least a Multi-Criteria Analysis (MCA).

### **C) Summary**

The current and last phase of the Portlaoise Southern Circular Route which is under consideration is budgeted to cost €6 million. The project is required to comply with the guidance contained in the Common Appraisal Framework for Transport Projects and Programmes March 2016, which is a common framework for the appraisal of transport investments that is consistent with the Public Spending Code. The purpose of this review is to establish if the appraisals carried out to date comply with the Common Appraisal Framework thereby ensuring their compliance with the Public Spending Code.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Laois County Council's Internal Audit unit has completed a Programme Logic Model (PLM) for the Portlaoise Southern Circular Route scheme.

Objectives	Inputs	Activities	Outputs	Outcomes
To complete the final phase of the Portlaoise Southern Circular Route from the N80 Stradbally Road to the N77 Abbeyleix Road, Portlaoise	Budgeted expenditure for the project is €6 mil.  Staff back-up support of an Administrative & Technical Nature	<ol style="list-style-type: none"> <li>1. Appointment of Consulting Engineers as Project Supervisor Design Stage</li> <li>2. Preparation of Plans and proposed design</li> <li>3. Project Appraisal report</li> <li>4. Part 8 Approval process</li> <li>5. Detailed design &amp; tender process</li> <li>6. CPO Process (Simultaneous to section 5)</li> <li>7. Tender process</li> <li>8. Construction</li> </ol>	Completion of final phase of Portlaoise Southern Circular Route	<p>Completion of final phase of Portlaoise Southern Circular Route</p> <ul style="list-style-type: none"> <li>- Improved accessibility and reduced congestion in Portlaoise Town Centre</li> <li>- Improved traffic flows from the N80 Stradbally Road to N77 Abbeyleix Road, Portlaoise</li> <li>- Improved accessibility for vulnerable road users and school traffic flows</li> </ul>



## Description of Programme Logic Model

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**Objectives:** The objectives of the programme are to complete the final phase of the Portlaoise Southern Circular Route from the N80 Stradbally Road to the N77 Abbeylax Road, Portlaoise.

**Inputs:** The budgeted cost of the scheme is €6m.

Staff back-up support of an Administrative & Technical nature will be required in conjunction with the Consulting Engineers appointed at Project Supervisor Design Stage.

### **Activities:**

1. Consulting Engineers were appointed as Designers and as Project Supervisor Design Stage (PSDS) to the scheme in December 2015.
2. The Consulting Engineers prepared development options for the route including a route selection report identifying the preferred route option.
3. A Project Appraisal Report was carried out including a Multi-Criteria Analysis report.
4. The Part 8 Approval process was completed including a report from the Consulting Engineers to the Council further to the Part VIII Public Consultation Process.
5. The Consulting Engineers and the Council carried out the detailed Design & Tender process which involved:
  - Detailed geometric and drainage design
  - Commission of an independent Road Safety Audit
  - Liaison with Landowners and design of Accommodation Works
  - Provision for utilities
  - Carrying out of ground investigations to inform the structural design
  - Preparation of documents in accordance with the Capital Works Management Framework to allow the Council to procure a contractor to construct the scheme
6. The Council carried out the CPO process in tandem with the requirements of Section 5
7. The Council received approval from the Department to proceed to tender in April 2018.
8. The successful tenderer will be appointed to construct the Road following completion of the tender process.

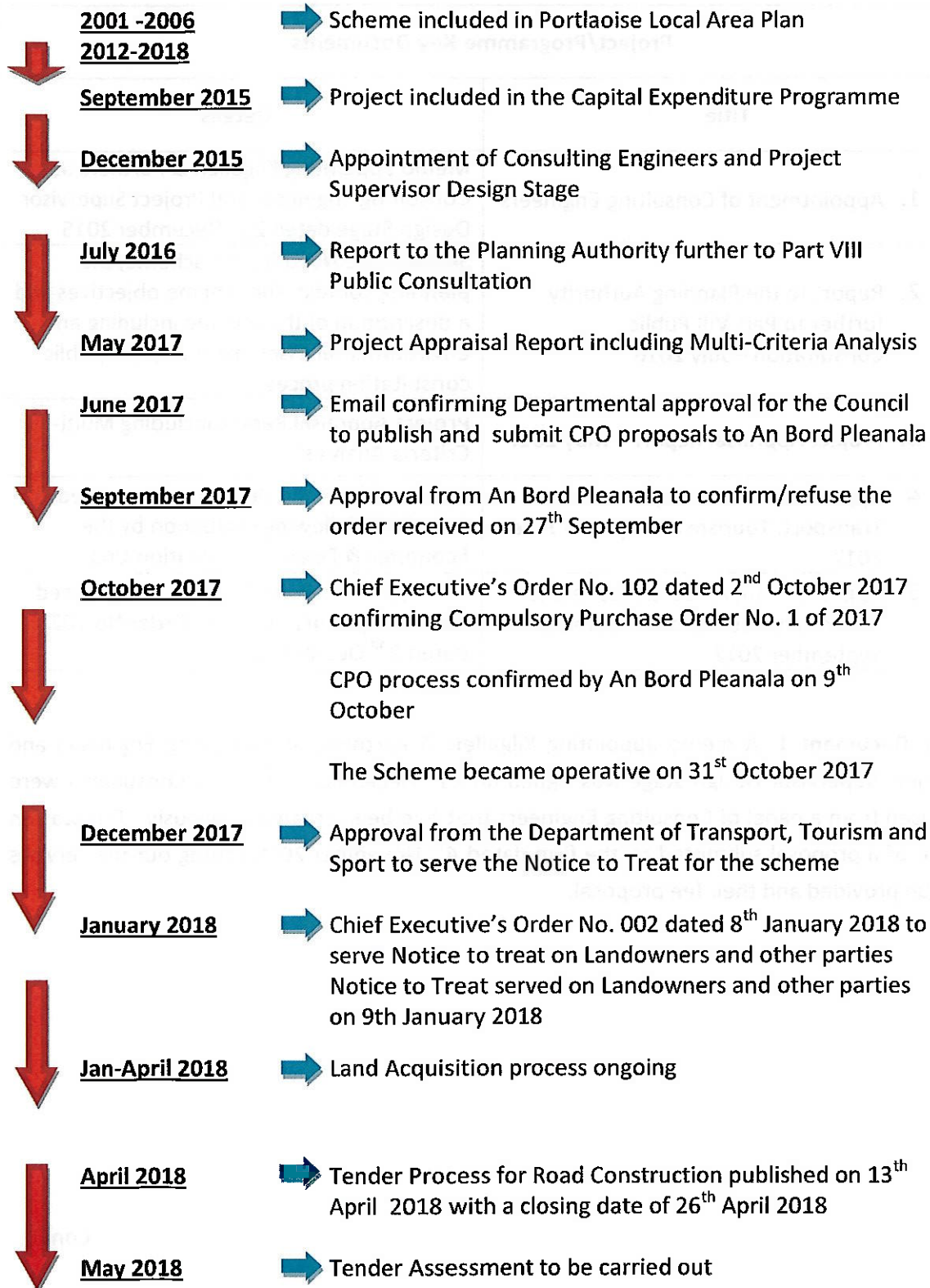
**Outputs:** Completion of the final phase of the Portlaoise Southern Circular Route from the N80 Stradbally Road to the N77 Abbeyleix Road.

**Outcomes:**

- - Improved traffic flows from the N80 Stradbally Road to N77 Abbeyleix Road, Portlaoise
- - Improved accessibility and reduced congestion in Portlaoise Town Centre.
- - Improved accessibility for vulnerable road users and school traffic flows

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

The following section tracks the Portlaoise Southern Circular Route from inception to conclusion in terms of major project/programme milestones



## Section B - Step 3: Analysis of Key Documents

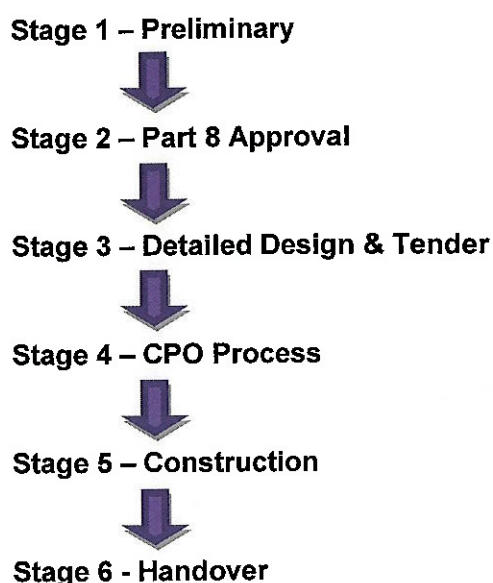
The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Portlaoise Southern Circular Route.

Project/Programme Key Documents	
Title	Details
1. Appointment of Consulting Engineers	Memo appointing Kilgallen & Partners as Consulting Engineers and Project Supervisor Design Stage dated 21 <sup>st</sup> December 2015
2. Report to the Planning Authority further to Part VIII Public Consultation – July 2016	Sets out the Need for the scheme; the planning context; the scheme objectives and a description of the scheme including an environmental assessment and the public consultation process.
3. Project Appraisal Report – May 2017	Project Appraisal Report including Multi-Criteria Analysis
4. Approval from the Department of Transport, Tourism and Sport – June 2017	Approval from the Department received in June 2017 following evaluation by the Economic & Financial Evaluation Unit.
5. Approval from An Bord Pleanála to confirm/refuse the order dated 27 <sup>th</sup> September 2017	This approval allowed the Council proceed with Compulsory Purchase Order No.102 dated 2 <sup>nd</sup> October 2017

**Key Document 1:** A memo appointing Kilgallen & Partners, as Consulting Engineers and Project Supervisor Design Stage was signed on 21<sup>st</sup> December 2015. The Consultants were chosen from a panel of Consulting Engineers that had been created previously. This was on foot of a proposal submitted by the firm dated 4<sup>th</sup> November 2015 setting out the services to be provided and their fee proposal.

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The proposal included services for the following stages of the scheme:



**Key Document 2:** The Report to the Planning Authority further to Part VIII Public Consultation published in July 2016 detailed the following information:

- 1. The Need for the Scheme**
- 2. The Planning Context**
- 3. The Scheme Objectives**
- 4. A description of the scheme**
- 5. An Environmental Assessment including:**
  - **Ecological Impact (Flora and fauna) Assessment**
  - **Appropriate Assessment Screening**
  - **Air Quality and Climate**
  - **Noise and Vibration**
  - **Landscape and Visual**
  - **Archaeology and Cultural Heritage**
  - **Soils, Geology, Hydrogeology, Hydrology & Flood Risk Assessment**
- 6. Public Consultation**
  - **Consultation with Prescribed Bodies**
  - **Public Consultation**

**Key Document 3:** The Project Appraisal Report including a Multi-Criteria Analysis was published in May 2017. In its overview, the Consultants state that the Project Appraisal was undertaken and follows the guidance contained in the “Common Appraisal Framework for Transport Projects and Programmes” issued by the Department of Transport, Tourism and Sport. This by extension implies compliance with the Public Spending Code.

The following information was contained in the Project Appraisal:



### **1. Preliminary Appraisal**

- Overview
- Population Growth
- Background & Early policy
- Existing Conditions
- Need for the scheme
- Objectives & Criteria
- Scenarios and Cases
- Assessment of Costs

### **2. Detailed Appraisal**

- Approach to Detailed Appraisal
- Objectives & Rationale
- Constraints Study
- Options Generation
- Criteria Statement
- Multi-Criteria Scoring Analysis
- Description of Optimum Solution
- Risk Assessment

### **3. Conclusion**

**Key Document 4:** Approval from the Department of Transport, Tourism and Sport for the Council to submit the scheme to an Bord Pleanála was received on 15<sup>th</sup> June 2017. This followed a review by the Economic & Financial Evaluation Unit of the Department.

**Key Document 5:** Approval from An Bord Pleanála to confirm/refuse the order was received on 27<sup>th</sup> September 2017. This approval allowed the Council proceed with Compulsory Purchase Order No.102 dated 2<sup>nd</sup> October 2017.

## **Section B - Step 4: Data Audit**

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

<b>Data Required</b>	<b>Use</b>	<b>Availability</b>
Part 8 Report	Confirm proper planning procedure followed	Available from files
Project Appraisal Report including Multi-Criteria Analysis	Justification and VFM of the Scheme	Available from files
Construction Contracts	Measure tender price against actual expenditure	Available from files and Agresso Financial Management System
Overall Level of Project Expenditure	Measure Programme Inputs	Available from files and Agresso Financial Management System
Break-down of Costs of the project expenditure	For comparison purposes with future schemes	Available from files and Agresso Financial Management System

### **Data Availability and Proposed Next Steps**

The data requirements listed above are available from the Agresso Financial Management System and files as required.

This information can be used to monitor ongoing expenditure and compare the tender price against the actual cost of the scheme.

This information can help evaluate the performance of the contractor and allow the Council minimise the possibility of cost over-runs when construction commences.

## **Section B - Step 5: Key Evaluation Questions**

The following section looks at the key evaluation questions for the final phase of the Portlaoise Southern Circular Route 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 in-depth check has shown that the final phase of the Portlaoise Southern Circular Route complies substantially with the standards set out in the Public Spending Code. The Consulting Engineers detailed in the overview of the Project Appraisal Report that the guidelines set out in the “Common Appraisal Framework for Transport Projects and Programmes” published by the Department in March 2016 are followed. The purpose of this document is to develop a common framework for the appraisal of transport investments that is consistent with the Public Spending Code, and also elaborates on the Public Spending Code in respect of the appraisal of transport projects and programmes to assist scheme promoters in constructing robust and comparable business cases for submission to Government.

As set out in the Capital Expenditure Appraisal Thresholds, projects costing between €5m and €20mil should be subject to preliminary and detailed appraisal which includes a Multi-Criteria Analysis. A Multi-Criteria Analysis was carried out as part of the detailed appraisal and contained the following criteria against which project options were measured:

- 1. Economy**
- 2. Environment**
- 3. Accessibility and Social Inclusion**
- 4. Integration**
- 5. Safety**

The Project Appraisal Report was submitted to the Department of Transport, Tourism and Sport on 2<sup>nd</sup> June 2017 and was approved on 15<sup>th</sup> June 2017. This followed a review by the Economic & Financial Evaluation Unit of the Department.

The scheme has subsequently gone through the CPO process and the land Acquisition process is ongoing. The tender process for construction was carried out between 13<sup>th</sup> April 2018 with a closing date of 26<sup>th</sup> April 2018. The tender assessment process is expected to be finalised in May 2018.

The Consulting Engineers have indicated that the construction will be carried out in compliance with the Capital Works Management Framework which also is consistent with the Public Spending Code.

Overall, the process and procedures carried out to date in respect of the Portlaoise Southern Circular Route comply with the relevant guidelines and frameworks and thus are in substantial compliance with the Public Spending Code.

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

The necessary data and information is available from the Agresso Financial Management System and data files as required.

This information can be used to monitor ongoing expenditure and compare the tender price against the actual cost of the scheme.

This information can help evaluate the performance of the contractor and allow the Council minimise the possibility of cost over-runs when the construction commences.

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

This in-depth check demonstrates that the Council is fulfilling its obligations under the Public Spending Code in respect of the final phase of the Portlaoise Southern Circular Route. While the steps of the project carried out to date comply with the “Common Appraisal Framework for Transport Projects and Programmes – March 2016” and by extension the Public Spending Code, it would be beneficial if there was a step-by-step procedures manual in place for dealing with such complex schemes in the future.

### **Section: In-Depth Check Summary**

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The following section presents a summary of the findings of this In-Depth Check on the final phase of the Portlaoise Southern Circular Route

#### **Summary of In-Depth Check**

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of its responsibilities for the provision of the final phase of the Portlaoise Southern Circular Route. To date, the Council has followed the required procurement processes and procedures, and ensured that the necessary approvals have been obtained from the Department of Transport, Tourism and Sport, and An Bord Pleanála.

The project is currently at tender assessment stage for construction works, while land acquisition is ongoing.

There is a clear audit trail on file including back-up documentation for the procurement processes and the necessary approvals from Senior Management.

The Project Appraisal Report carried out by the Project Supervisor Design Stage (Consulting Engineers) dated May 2017 includes a Multi-Criteria Analysis which is a requirement of the Public Spending Code for projects costing between €5m and €20m.

The Consulting Engineers on the project have advised and set out in the Project Appraisal Report that the project would comply with the guidelines set out in “Common Appraisal Framework for Transport Projects and Programmes” published in March 2016 by the Department of Transport, Tourism and Sport. This document and the guidelines therein are consistent with the Public Spending Code.

The Consulting Engineers have also advised that the Construction Works which are expected to commence in August/September 2018 will be carried out in compliance with the Capital Works Management Framework which is also consistent with the Public Spending Code.

To date, this project which is currently at tender assessment stage, is in substantial compliance with the Public Spending Code.



## Quality Assurance: In Depth Check No.3

### Section A: Introduction

Programme or Project Information	
<b>Name</b>	Payments to Elected Representatives 2017
<b>Detail</b>	Revenue Expenditure Incurred in respect of Local Representation/Civic Leadership in 2017
<b>Responsible Body</b>	Laois County Council
<b>Current Status</b>	Expenditure Being Incurred
<b>Start Date</b>	1 <sup>st</sup> January 2017
<b>End Date</b>	31 <sup>st</sup> December 2017
<b>Overall Cost</b>	€660,000 (Budget 2017)

Cont'd...

## **Project Description**

### **(i) Introduction**

In accordance with Section 142 and 143 of the Local Government Act 2001, a local authority may make payment of allowances and expenses incurred by its members in connection with their duties as Elected Members.

Laois County Council has nineteen Elected Members and these members are also representatives on the Municipal Districts and various committees.

The budgeted costs and actual expenditure for Laois County Council for 2017 under the various categories of expenses were as follows:

<b>Description</b>	<b>Budget 2017</b>	<b>Actual Expenditure 2017</b>
Members Salaries	€315,000	€315,654
Members Gratuities	€167,000	€167,000
Members Training	€97,700	€56,833
Strategic Policy Committees	€24,000	€24,000
Cathaoirleach's Allowance	€20,000	€19,983
Leas Cathaoirleach's Allowance	€4,000	€3,997
Municipal District Allowance	€18,000	€17,987
Members Conferences	€12,491	€9,107
Conferences Abroad	€2,000	-
<b>Total</b>	<b>€660,191</b>	<b>€614,561</b>

Members Salaries, Gratuities, the Cathaoirleach's Allowances, Leas Cathaoirleach's Allowance and Municipal District Chairperson Allowance, with a budgeted cost of €524,654 are paid through the payroll section while all remaining payments are processed by the Corporate Affairs Department and paid through the Agresso Financial Management system.

The above table highlights that payment of salaries, allowances and expenses to Elected Members remained within budget for 2017, with under-expenditure of €45,630 recorded.

### **(ii) Local Government Act 2001**

Section 142 and Section 143 of the Local Government Act 2001 sets out the legislative basis for the payment of allowances and expenses to Elected Members.

**Section 142 states:**

- (1)** The Minister may by regulations, made with the consent of the Minister of Finance, provide for the payment by a local authority of allowances for expenses incurred by its members in connection with -
  - I. Attendance at meetings of the local authority, a committee of that authority or a joint committee or joint body involving that authority;
  - II. Attendance at conferences, seminars, training or other events to which subsection (5) applies;
  - III. The post of chair of a strategic policy committee;
  - IV. Any other specified matter.
  
- (2)** Regulations under this section may also provide for –
  - I. The payment of remuneration to members or to Cathaoirleach of specified classes of local authorities, or
  - II. Subject to subsection (4)(i), the making of superannuation arrangements in respect of members of specified classes of local authorities.
  
- (3)** Any payments referred to in subsection (1) or (2) are subject to and shall be made in accordance with regulations made under this section.
  
- (4)** Regulations under this section may provide for –
  - I. An annual amount in respect of remuneration in such cases as may be specified;
  - II. A composite annual allowance in respect of attendances at meeting referred to in subsection (1)(a) and at such events or other matters as may be specified;
  - III. Arrangements to apply as regards the authorisation under subsection (5) by the local authority of attendances to which the subsection applies;
  - IV. Conditions, restrictions or other requirements to apply in relation to allowances, remuneration or superannuation and the making of payments (including the abatement or reduction in whole or in part of allowances or remuneration in specified circumstances or for specified persons in receipt of allowances or remuneration provided by a public authority or otherwise from public funds);
  - V. The furnishing of specified information to a local authority for the purposes of this section;

- VI. The payment of allowances to persons who are not members of a local authority;
- VII. A public register of attendances and payments to which this section and Section 143 relate;
- VIII. Deductions from payments referred to in subsection (1) or (2) for such matters as may be specified;
- IX. The approval of the minister, given with the consent of the Minister for Finance, to such arrangements for superannuation purposes as may be specified;
- X. The giving of directions from time to time in relation to any matter the subject of such regulations;
- XI. Any other matters which appear to the Minister to be necessary or expedient for the purposes of this section.

**(5)** This subsection applies to:

- a. a conference, seminar, training or other meeting or event held, whether within or outside the state, for the purpose of discussing, obtaining or imparting information regarding or connected with any matter that is of concern to the local authority in relation to the performance of its functions and is relevant to its administrative area and to the local community.

An elected council may authorise one or more of its members to represent the authority at a meeting or event to which this subsection applies and such authorisation may, subject to regulations under this section, be given in an individual case or as regards such attendances generally during a particular year.

- b. A local authority may provide in its budget an amount to meet expenditure for the purposes of this subsection.
- c. An elected council shall not authorise under this subsection unless, having had regard to the following matters, it is satisfied that the authorisation is justified by reference to –
  - the benefits likely to accrue,
  - the general interests of its administrative area and the local community, and
  - The total cost involved
- d. An authorisation under this subsection is a reserved function and such authorisations shall not exceed the amount provided for in accordance with paragraph (c).

- e. Where a member of an elected Council attends a meeting or event by virtue of an authorisation under this section, he or she shall submit a summary of the proceedings to the next ordinary meeting of the Council.
- f. Without prejudice to paragraphs (a) to (f), the Minister may issue general guidelines for the purposes of this subsection, including guidelines as to expenditure in relation to attendance at specified information or training events.
- g. A local authority shall comply with any guidelines issued under subsection (5)(g).
- h. A local authority of a class specified for the purposes of subsection (2) may, in relation to its members or a class or classes of its members and subject to regulations under this section, make provision in relation to the superannuation of its members or in relation to the superannuation of a class or classes of its members.
- i. Regulations made under Section 51 of the Local Government Act 1991, and in force at the commencement of this provision shall continue in force and have effect as if made under this section and may be amended or revoked accordingly.

**Section 143** states:

- I. A local authority may pay an allowance for reasonable expenses to its Cathaoirleach.
  - II. A local authority may pay an allowance for reasonable expenses to its leas-Chathaoirleach.
  - III. A decision to pay an allowance under subsection (1) and the determination of the amount of the allowance is a reserved function.
- (6)** After consultation with the Minister for Finance, the Minister may issue directions to local authorities or specified classes of local authorities for the purposes of this section.
- I. Without prejudice to paragraph (a) , directions may specify-
  - II. particular considerations to which the local authority shall have regard, and
  - III. the maximum amounts of the allowances payable under this section, including different amounts for different classes of local authorities.



**(iii) Circular Letter LG 5/2015 – Domestic Subsistence Rates & Distance Requirements for Elected Members with effect from 1st July 2015**

This circular replaced all previous circulars and sets out the rates of subsistence allowance and standard distance requirements for Elected Members in accordance with the provisions of the Haddington Road Agreement and covered the period from 1<sup>st</sup> July 2015 to the end of 2017 (the period of this review is 2017). The circular included allowances for expenses incurred by Elected Members of local authorities under Regulation 17 of the Local Government (Expenses of Local Authority Members) Regulations 2014 (S.I. No. 236 of 2014).

The rules and regulations in the circular were contained under the following headings:

- a. Part 1 - Rates and Rules in relation to Annual expenses allowances
- b. Part 2 – Rates and Rules in relation to Travelling and Subsistence Expenses Allowances
- c. Part 3 – Rates and rules in respect of mobile phone allowance
- d. Part 4 – Allowances for certain Chairpersons
- e. Part 5 – Allowances for Expenses for attendance at Conferences and Training
- f. Part 6 – General Rules in respect of the Allowances

**(1) Type of Payment and Allowances available**

The following sets out the types of payments and allowances available to Elected Members apart from their training and conference expenses:

- I. **Representational Payment:** This is a salary type payment made to Elected Members and is subject to tax.
- II. **Annual Allowance:** This allowance covers attendance at full meetings of the Council and committee meetings. Full payment is subject to an 80% attendance requirement. This allowance is not taxable.
- III. **Cathaoirleach's Allowance:** This allowance is payable to the Cathaoirleach to cover expenses for attendance at all events and is partly taxable.
- IV. **Leas- Cathaoirleach's Allowance:** This allowance is payable to the Leas-Cathaoirleach to cover expenses incurred while deputising for the Cathaoirleach and is partly taxable.
- V. **Municipal District Chairperson Allowance:** This allowance is payable to the Chairperson of each Municipal District for expenses incurred in the carrying out of their duties and is partly taxable.

- VI. **Strategic Policy Committee Chairperson:** This allowance is payable to the Chairperson of each Strategic Policy Committee for expenses incurred in the carrying out of their duties.

**(2) Representational Payment, Allocations and Allowances for 2017**

- I. **Representational Payment** Circular LG 05/2017 dated 29th March 2017 sets out the current representational payment per Elected Member at €16,645 (from 01/04/2017), an increase of €80 on the previous rate of €16,565 (from 01/07/2013 to 31/03/2017). This payment is processed through the Council's payroll Department.
- II. **Expenses Allocations** The expenses allocations for each Elected Member in 2017 were as follows:
  - Training Courses - €4,000 per Elected Member
  - Conferences - €700 per Elected Member

**Allowances**

Circular Letter LG 01/2017 dated 23<sup>rd</sup> January 2017 set out planned changes to the allowances for expenses incurred by Elected Members. This was in response to the increased workload experienced by elected members arising from the Local Government reforms of 2014 and particularly to the allocation of new statutory functions.

Previously, Elected Members were able to avail of a fixed annual allowance to cover expenses, other than travel and subsistence, of amounts between €2,286 and €2,667 per annum on an unvouched basis.

On foot of Circular LG 01/2017, each Elected Member could choose to receive the unvouched fixed allowance at the existing rates or opt to receive a new expenses allowance up to a maximum of €5,000 per annum on a fully vouched basis.

Members were paid the unvouched fixed allowance during 2017 and the option to change to the fully vouched payment was given in 2018 with all Elected Members accepting the new system.

Circular LG 01/2017 also made provision for a new Municipal District Members Allowance of €1,000 per annum. This additional allowance came into effect from the 1<sup>st</sup> July 2017.

## **Conclusion**

Significant expenditure is incurred on Elected Members expenses on an annual basis with expenditure of €614,561 in 2017. This was within the budget of €660,191 and under expenditure of €45,630 was recorded. The objective of this in-depth review is to ascertain if the payment of expenses to Elected Members is carried out in accordance with current legislation, regulations and guidelines.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Laois County Council Internal Audit unit has completed a Programme Logic Model (PLM) for Payments to Elected Members in 2017.

Objectives	Inputs	Activities	Outputs	Outcomes
To pay Elected Members Salaries, Allowances, Gratuities and Expenses in accordance with relevant legislation, regulations and guidelines	Budgeted expenditure for 2017 of almost €660,691  Administrative Support from staff in the Corporate Affairs and Finance Departments	Payment of Elected Members expenses  Checking of claim forms and entitlements  Memo Prepared and Approved by Corporate Affairs staff and sent to Accounts Payable Finance Department for payment	Payment of expenses to 19 Elected Members	Ensure that the payment of expenses is carried out in accordance with legislation, regulations and guidelines  Ensure that the payment of expenses remains within budget.

## Description of Programme Logic Model

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**Objectives:** The objective of the programme is to ensure that payment of Salaries, Allowances, Gratuities and Expenses to Elected Members is carried out in accordance with relevant legislation, regulations and guidelines.

**Inputs:** Budgeted expenditure of €660,101 for 2017. Administrative support from staff in the Corporate Affairs and Finance Departments.

**Activities:** The Corporate Affairs Department must process expenses application forms from each Elected Member when received following attendance at training courses and conferences. Approval memos and supporting documentation must also be prepared in respect of Fixed Monthly Expenses.. This work is prepared by the Clerical Officer and checked by the Staff Officer/Administrative Officer. A memo is then submitted to Accounts Payable in the Finance Department for payment to be made.

**Outputs:** Payment of Salaries, Allowances, Gratuities and Expenses to 19 Elected Members.

**Outcomes:** Ensure that the payments are made efficiently and effectively and that relevant legislation, regulations and guidelines are followed. Confirmation that the payment of expenses remains within budget.



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

The following section tracks the payment of expenses from inception to conclusion in terms of major project/programme milestones

### **Payment of Expenses in respect of attendance at Training/Conferences**

Expenses claim forms received from Elected Members following their attendance at training courses or conferences

The Clerical Officer, Corporate Affairs, will process the claim as follows:

- 1) ensure that the form is signed and completed
- 2) Check mileage claimed on AA Route Planner
- 3) Check dates/times that the training/conference started and finished
- 4) Perform the necessary calculations including appropriate deductions
- 5) Print a calculation sheet and submit this to the Staff Officer/Administrative Officer for Approval
- 6) When approved, create a Requisition /Purchase Order for payment
- 7) Attach Purchase Order, copy form, copy calculation sheet and training/conference documentation and file in appropriate folder
- 8) Submit original calculation sheet and form to Accounts Payable for payment

### **Monthly Expenses paid to Elected Members**

Fixed Monthly expenses are calculated at the start of the year based on rates set out in LG 5/2015.

The Fixed Travel rate is based on the distance from the residence of the Elected Member to County Hall and calculated accordingly. The remainder is comprised of subsistence and an allowance for postage/mobile phones/miscellaneous expenses.

- A memo and spreadsheet is prepared by the Clerical Officer in Corporate Affairs and checked by the Staff Officer/Administrative Officer
- The amount of the monthly expenses is fixed apart from the following deductions:
  - LAMA Contribution - €35 (usually deducted over the first three months of the year)
  - Public Liability Insurance (Elected Members may opt for this insurance)
  - Members Personal Accident Insurance (Amount for 2017 - €170)

The approved payment memo and spreadsheet is forwarded to Accounts Payable for payment.

### Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the payment of Salaries, Allowances, Gratuities and Expenses to Elected Members in 2017.

Project/Programme Key Documents	
Title	Details
1. Sections 142 and 143 of the Local Government Act 2001	Sets out the Legislative basis for the payment of salaries, allowances and expenses to Elected Members
2. Circular Letter LG 5/2015 dated 25 <sup>th</sup> June 2015	Sets out the rules and rates of payments that can be made to Elected Members from 1 <sup>st</sup> July 2015 to the end of 2017
3. Circular Letter 01/2017 dated 23 <sup>rd</sup> January 2017	Set out planned changes to the annual allowance and introduced new Municipal District Allowance for Elected Members
4. Monthly Expenses Claim Forms submitted by members	Details the claims details , e.g. date and times, mileage, venues, etc
5. Approval Memo and Calculation Sheets	These are prepared by relevant staff on the basis of claim forms received.

**Key Document 1:** The provisions of Sections 142 and 143 of the Local Government Act 2001 are set out in the Project Description section of this report. These provisions set out the Legislative basis for the payment of salaries, allowances and expenses to Elected Members.

**Key Document 2:** The rules and rates of payments to Elected Members have been set out in various circulars since 2001 on foot of the provisions contained in Section 142 and 143. Circular Letter LG 5/2015 set out the rules and rates of payments that can be made to Elected Members from 1<sup>st</sup> July 2015 to the end of 2017.

**Key Document 3:** Circular Letter 01/2017 dated 23<sup>rd</sup> January 2017 set out planned changes to the allowances for expenses incurred by Elected Members. Previously, Elected Members were

able to avail of a fixed annual allowance to cover expenses, other than travel and subsistence, of amounts between €2,286 and €2,667 per annum on an unvouched basis.

On foot of Circular LG 01/2017, each Elected Member could opt to receive the unvouched fixed allowance at the existing rates or opt to receive a new expenses allowance up to a maximum of €5,000 per annum on a fully vouched basis.

**Circular LG 01/2017** also made provision for a new Municipal District Members Allowance of €1,000 per annum. This additional allowance came into effect from 1<sup>st</sup> July 2017.

**Key Document 4:** Elected Members must submit an expenses claim form on a monthly basis in order to claim their expenses. The claim form must include all details of the expenses being claimed in order to provide the basis for payment.

**Key Document 5:** An approval memo and calculation sheet is prepared by staff in the Corporate Affairs Department and this is submitted to the Finance Department for payment.

#### **Section B - Step 4: Data Audit**

The following section details the data audit that was carried out regarding payments to the Elected Members in 2017. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

<b>Data Required</b>	<b>Use</b>	<b>Availability</b>
Overall level of expenditure incurred on an annual basis	Measure actual v budgeted expenditure on an annual basis	Available from the Agresso Financial Management System
Current Relevant Legislation including Rules, Rates and guidance from the Dept. Of Public Expenditure & Reform	Ensure that payments to Elected Members are carried out in accordance with current regulations	Available from the Department of Expenditure & Reform
Copies of expenses claims, approval memos and calculation sheets	Ensure that payment of expenses made correspond to expenses claims submitted by Elected Members	Available from Corporate Affairs Expenses claims files and the Agresso Financial Management System

### **Data Availability and Proposed Next Steps**

The data requirements listed above are available from the Corporate Affairs Department, the Department of Public Expenditure & Reform and the Agresso Financial Management System.

This information can be used to monitor ongoing expenditure and to ensure that expense claims submitted are processed correctly on an ongoing basis.

The rules and rates contained in departmental circulars will also ensure consistency in the payment of expenses to the Elected Members.

## **Section B - Step 5: Key Evaluation Questions**

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The following section looks at the key evaluation questions for Payments to Elected Members 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 in-depth check has shown that Representational Payments and payment of expenses to Elected Members are carried out in substantial compliance with the standards set out in the Public Spending Code. The Council has a statutory responsibility to make these payments based on Sections 142 and 143 of the Local Government Act 2001. Various circulars have issued since then setting out the regulations and rates applicable. Circular Letter LG 5/2015 – Domestic Subsistence Rates & Distance Requirements for Elected Members with effect from 1<sup>st</sup> July 2015, replaced all previous circulars and set out the rates of subsistence allowance and standard distance requirements for Elected Members in accordance with the provisions of the Haddington Road Agreement, and covered the period from 1<sup>st</sup> July 2015 to the end of 2017 (the period of this review is 2017). The circular included allowances for expenses incurred by Elected Members of local authorities under Regulation 17 of the Local Government (Expenses of Local Authority Members) Regulations 2014 (S.I. No. 236 of 2014).

Circular Letter LG 01/2017 dated 23<sup>rd</sup> January 2017 set out planned changes to the allowances for expenses incurred by Elected Members. This was in response to the increased workload experienced by elected members arising from the Local Government reforms of 2014 and particularly to the allocation of new statutory functions.

Previously, Elected Members were able to avail of a fixed annual allowance to cover expenses, other than travel and subsistence, of amounts between €2,286 and €2,667 per annum on an unvouched basis.

On foot of Circular LG 01/2017, each Elected Member could choose to receive the unvouched fixed allowance at the existing rates or opt to receive a new expenses allowance up to a maximum of €5,000 per annum on a fully vouched basis.

Members were paid the unvouched fixed allowance during 2017 and the option to change to the fully vouched payment was given in 2018 with all Elected Members accepting the new system.

Circular LG 01/2017 also made provision for a new Municipal District Members Allowance of €1,000 per annum. This additional allowance came into effect from 1<sup>st</sup> July 2017.

The budget for Representational Payments to Elected Members is included in the overall Annual Budget and is part of the Council's overall budgetary process. Members Salaries, Gratuities, the Cathaoirleach's Allowances, Leas Cathaoirleach's Allowance and Municipal District Chairperson Allowance are paid by the payroll department and any required statutory deductions are carried out prior to payment. Expenses claims forms are checked and approved by Corporate Affairs Staff to ensure that the claims are in order before payment is made. Allowances are determined at the start of each year and these are paid on a monthly basis.

The budget for Elected Members Expenses was €660,191 in 2017, with actual expenditure of €614,561 incurred. Under-expenditure of €45,630 was recorded.

From an analysis and examination of the representational payments made to the 19 Elected Members in Laois County Council in 2017, it is the opinion of Internal Audit that these payments were carried out in substantial compliance with the Public Spending Code.

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

The necessary data and information is available from files in the Corporate Affairs Department, the Department of Public Expenditure & Reform and the Agresso Financial Management System to monitor Elected Member's Expenses on an ongoing basis.

This information can be used to monitor ongoing expenditure and to ensure that expense claims submitted are processed correctly.



The rules and rates contained in departmental circulars will also ensure consistency in the payment of expenses to the Elected Members.

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

This in-depth check demonstrates that the Council is fulfilling its obligations under the Public Spending Code in respect of its payments to Elected Members. The regulations and rates applicable are set down in departmental circulars which are updated every number of years. There are procedure manuals in place for checking and processing payments but these require updating on the basis of further circulars received. For example, Circular LG 07/2017 dated 15<sup>th</sup> November 2017 updates the regulations and rates applicable in respect of expenses and allowances of local authority members. Corporate Affairs Staff should ensure that the procedure manuals reflect the up to date legislation and regulations applicable to Elected Members expenses from 2018 onwards.

### **Section: In-Depth Check Summary**

The following section presents a summary of the findings of this In-Depth Check on the payment of Expenses to Elected Members in 2017.

#### **Summary of In-Depth Check**

It is the opinion of Internal Audit that Laois County Council is in substantial compliance with the Public Spending Code in respect of its responsibilities for payments of salaries, allowances and expenses to Elected Members.

The Council has a statutory responsibility to make these payments based on Sections 142 and 143 of the Local Government Act 2001. Various circulars have issued since then setting out the regulations and rates applicable. Circular Letter LG 5/2015 – Domestic Subsistence Rates & Distance Requirements for Elected Members with effect from 1<sup>st</sup> July 2015, replaced all previous circulars and set out the rates of subsistence allowance and standard distance requirements for Elected Members in accordance with the provisions of the Haddington Road Agreement. This circular covered the period from 1<sup>st</sup> July 2015 to the end of 2017 (the period of this review is in respect of 2017). The circular included allowances for expenses incurred by

Elected Members of local authorities under Regulation 17 of the Local Government (Expenses of Local Authority Members) Regulations 2014 (S.I. No. 236 of 2014).

The budget for Representational Payments to Elected Members is included in the Council's overall budgetary process. Members Salaries, Gratuities, the Cathaoirleach's Allowances, Leas Cathaoirleach's Allowance and Municipal District Chairperson Allowance are paid by the payroll department and any required statutory deductions are carried out prior to payment. Expenses claims forms are checked and approved by Corporate Affairs Staff to ensure that the claims are in order before payment is made. Allowances are determined at the start of each year and these are paid on a monthly basis.

The budget for Elected Members Expenses was €660,191 in 2017, with actual expenditure of €614,561 incurred. Under-expenditure of €45,630 was recorded.

From an analysis and examination of the representational payments made to the 19 Elected Members in Laois County Council in 2017, it is the opinion of Internal Audit that these payments were carried out in substantial compliance with the Public Spending Code.

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