



## **Quality Assurance Report 2018**

**Issued by**

**LAOIS COUNTY COUNCIL**

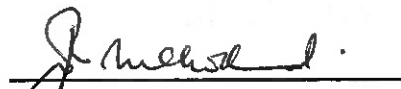
**Submitted to the National Oversight Audit Commission  
(NOAC) in compliance with the Public Spending Code**

**MAY 2019**

## **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.

Signed:

  
**Mr John Mulholland**  
**Chief Executive**

Dated:

29<sup>th</sup> May 2019

## Table of Contents

<b>1.</b>	<b>Introduction.....</b>	<b>5</b>
1.1	Drawing up Inventories of all projects/programmes at different stages of the Project Life Cycle...	5
1.2	Publish summary information on the Council website of all procurements in excess of €10m. ....	5
1.3	Checklists to be completed in respect of the different stages.....	5
1.4	Carry out a more in-depth check on a small number of selected projects/programmes.....	5
1.5	Complete a short report for the National Oversight and Audit Commission (NOAC) .....	6
<b>2.</b>	<b>Inventory of Projects/Programmes .....</b>	<b>6</b>
2.1	Expenditure being considered.....	6
2.2	Expenditure being incurred.....	7
2.3	Expenditure that has recently ended .....	7
<b>3.</b>	<b>Published Summary of Procurements over €10m.....</b>	<b>7</b>
<b>4.</b>	<b>Assessment of Compliance .....</b>	<b>7</b>
4.1	Checklist Completion: Approach Taken and Results .....	7
4.2	Main Issues Arising from Checklist Assessments .....	8
<b>5.</b>	<b>In-Depth Checks.....</b>	<b>8</b>
5.1	Capital:.....	9
5.2	Revenue: .....	9
5.3	Summary of In-Depth Checks.....	10
5.3.1	N80 – Maidenhead Realignment Scheme.....	10
5.3.2	Housing Maintenance Operations 2018 .....	11
<b>6.</b>	<b>Inadequacies Identified in QA Process .....</b>	<b>12</b>
<b>7.</b>	<b>APPENDIX A - Inventory .....</b>	<b>13</b>
<b>8.</b>	<b>APPENDIX B - Checklists.....</b>	<b>20</b>
	Checklist 1 - To be completed in respect of general obligations not specific to individual projects/programmes .....	21
	Checklist 2 - To be completed in respect of capital projects/programmes & capital grant schemes that were under consideration in the past year .....	22
	Checklist 3 - To be completed in respect of new current expenditure under consideration in the past year... ..	23
	Checklist 4 - To be completed in respect of capital projects/programmes & capital grants schemes incurring expenditure in the year under review .....	24
	Checklist 5 - To be completed in respect of current expenditure programmes incurring expenditure in the year under review .....	25

	<i>Checklist 6 - To be completed in respect of capital projects/programmes &amp; capital grant schemes discontinued and/or evaluated during the year under review.....</i>	<i>27</i>
	<i>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 .....</i>	<i>28</i>
<b>9.</b>	<b>APPENDIX C – In Depth Check No. 1.....</b>	<b>29</b>
<b>10.</b>	<b>APPENDIX D – In Depth Check No. 2.....</b>	<b>51</b>

## 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 2018 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 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 A) is divided between revenue expenditure and capital expenditure and between three stages:

Project Inventory Reporting Criteria/Requirements	
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 A contains the details of projects with a value greater than €0.5m that Laois County Council was considering during 2018. The total value of the 39 capital projects listed is €126.75m. The five areas where projects were being considered for investment are in the Housing Directorate, with 20 projects valued at €74.88m, the Roads Directorate with 13 projects valued at €36.47, the Economic Development Directorate with 3 projects at €6.59m, the Emergency Services Directorate with 1 project at €1.5m and the Recreation & Amenity Directorate with 2 projects at €7.31m. These projects are listed in the Capital Indicative Programme 2019 – 2021 adopted by the Members of



Laois County Council on 12<sup>th</sup> November 2018. 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 A07 RAS Programme, B03 Regional Roads & B04 Local Roads – Maintenance & Improvement and B07 Road Safety Engineering Improvements totaling €5.7m.

## **2.2 Expenditure being incurred**

Appendix A also contains the details of all areas of expenditure with a value greater than €0.5m being incurred by Laois County Council in 2018. Please note that as of the date of this report the 2018 expenditure is unaudited. In total there are 31 projects in this category. The total value of all these items of expenditure is €76.41m of which €14.49m relates to capital expenditure with the balance being revenue expenditure. The revenue expenditure, which totals €61.92m, 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, with the majority of this expenditure relating to payroll. Full details of this expenditure is included in the Annual Financial Statement for 2018 which was approved by the members of Laois County Council at their meeting of 29<sup>th</sup> April 2019.

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

Appendix A also includes a summary of the inventory of expenditures above €0.5m recently ended. In total there are 3 projects in the Housing Directorate, valued €11.49m completed.

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

The Quality Assurance process requires Laois County Council to publish all procurements in progress, in excess of €10M on our website. Laois County Council had no procurement in progress, in excess of €10M during 2018. 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:

- |                     |   |
|---------------------|---|
| <b>Checklist 1:</b> | General Obligations Not Specific to Individual Projects/Programmes                    |
| <b>Checklist 2:</b> | Capital Projects or Capital Programme/Grant Schemes being considered                  |
| <b>Checklist 3:</b> | New Current expenditure or expansion of existing current expenditure being considered |
| <b>Checklist 4:</b> | Capital Expenditure being incurred  |
| <b>Checklist 5:</b> | Current Expenditure being incurred  |
| <b>Checklist 6:</b> | Capital Expenditure completed   |
| <b>Checklist 7:</b> | Current Expenditure that reached the end of its planned timeframe or 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 B. 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 2018. This checklist deals with expenditure in excess of €500K incurred during 2018 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 %
2016	135.75	82.57	53.18	7.53	7.38	1.19	2.2
2017	169.01	108.90	60.11	9.25	8.50	0.66*	1.09*
2018	220.35	152.73	67.62	6.85	4.48	2.18	3.22
<b>Total over 3 yrs</b>	<b>522.11</b>	<b>344.2</b>	<b>180.91</b>	<b>23.63</b>	<b>20.36</b>	<b>4.03</b>	<b>6.51</b>

The above figures show that Laois County Council has achieved the three year average of 15% for Capital Projects (20.36%) and the new requirement of 1% for Revenue Projects (6.51%).

*\*In Quality Assurance Report 2017, these figures were incorrectly reported as €6.6m in the Value of Revenue Projects Selected column and 10.97% in the Projects selected of total Revenue Inventory column.*

Two projects/programmes were selected for in-depth review in respect of 2018 as follows:

## 5.1 Capital:

- N80 Maidenhead Realignment Scheme - €6,850,000

## 5.2 Revenue:

- Housing Maintenance Operations 2018 - €2,180,500

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

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

---

### **5.3.1 N80 – Maidenhead Realignment Scheme**

---

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 N80 Maidenhead Realignment Scheme. To date, the Council has followed the required procurement processes and procedures, and ensured that the necessary approval has been obtained from An Bord Pleanála.

The tender stage for construction works has been completed, while land acquisition is ongoing. A Letter of Intent has issued to the preferred tenderer and approval has been sought from Transport Infrastructure Ireland to award the construction contract. Construction will commence in August 2019 with an 18 month construction time frame subject to the necessary approval being secured.

However, issues have arisen in relation to the tenders for Technical Consultancy Services/Site Supervision, whereby tenders prices were deemed to be too high in one instance and no tenders were received in the other.

As a result, Laois County Council is required to provide the necessary site supervisory and contract management staff for the scheme. This will put a further strain on Laois County Council's own resources, but is necessary if the scheme is to progress.

Laois County Council is currently awaiting approval from Transport Infrastructure Ireland for confirmation that there is funding to award the main works contract and this confirmation/approval also includes for the necessary site supervision and contract management.

The implications of the results of these tender processes are that significant risk may be added to the carrying out of capital projects for the Council, due to spiralling costs of technical consultancy services or through the non availability of prospective tenderers. Both scenarios would have the impact of seriously delaying projects or resulting in their possible postponement, if the necessary staff resources cannot be obtained. This should be noted and given due consideration by management and staff who may be undertaking capital projects for the Council in the future.

The Project Appraisal Report carried out by the Project Supervisor Design Stage (Consulting Engineers) dated March 2016 includes a Multi-Criteria Analysis which is a requirement of the Public Spending Code for projects costing between €5m and €20m. An addendum to the Project Appraisal Report included a Minor Project Budget Sheet and a Simple Appraisal Tool – PAG Unit 12 from Transport Infrastructure Ireland.

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 2019 will be carried out in compliance with the Capital Works Management Framework which is also consistent with the Public Spending Code.

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

Overall, the process and procedures carried out to date in respect of the N80 Maidenhead Realignment Scheme comply with the relevant guidelines and frameworks and thus are in substantial compliance with the Public Spending Code.

### **5.3.2 Housing Maintenance Operations 2018**

---

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 Housing Maintenance Operations in 2018.

The stated objective of national housing policy is that every household should have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community. The Housing Maintenance Section is responsible for the management and maintenance of the Council's Housing stock and the Council is responsible for ensuring that houses conform to the minimum standards as set out in the Housing (Standards for Rented Houses) Regulations, 2017.

The Council adopted a Housing Maintenance policy in September 2010, which includes a tenant's handbook. This policy remains valid and is the current policy guiding maintenance issues and the Council's and Tenant's respective responsibilities under the tenancy agreements.

A Housing Maintenance Process Handbook was drafted and developed in 2018 which provides a very detailed and comprehensive process for dealing with repair requests from initial receipt of a new request to when work has been completed or otherwise.

Housing Maintenance staff carry out repairs/maintenance of the housing stock over the course of the year. Engineering staff determine if jobs should be carried out by internal craftspersons, or in the case of larger jobs if a tender process is required. Repairs requests are logged onto the Ihouse system and Work Orders are issued. When works are completed the Work Order is closed off. Inspection checks are carried out on jobs costing over €500 and spot-checks are carried out for smaller jobs.

The budget for Housing Maintenance operations is included in Service A01 Maintenance & Improvement of LA Housing Units and is part of the Council's overall budget. The budget for Housing Maintenance operations was €2,180,500 in 2018, with actual expenditure of €2,164,494 incurred. The budget was subject to review during the year and under-expenditure of €16,006 was recorded. Expenditure was charged to 1,232 housing units during 2018 out of 2,170 housing units at the start of the year. The budget for 2019 is €2,216,000. The increased budget and expenditure in the past few years is a reflection of an aging and growing housing stock, and the commitment of the Council to protect its housing assets at a time of ever increasing housing demand.

Housing Management needs to ensure that the current level of oversight, monitoring and checking of both financial and human resources, in Housing Maintenance operations is continued and improved where necessary. The main issue highlighted in this report is the need for a new software system to be introduced and implemented to manage the workflow and to provide up to date real-time information for management. Housing Maintenance Management has advised that they are looking at various options in this regard in conjunction with the IT Department. This should lead to better outcomes in terms of use of resources and better value for money being achieved.

From an analysis and examination of Housing Maintenance operations in 2018, it is the opinion of Internal Audit that housing maintenance operations were carried out in substantial compliance with the Public Spending Code.

## 6. Inadequacies Identified in QA Process

The in depth checks for 2018 did not highlight any significant compliance issues in relation to the PSC. However continuing compliance will require ongoing monitoring and staff training.

## 7. APPENDIX A - Inventory



Local Authority  <b>Laois County Council</b>	Expenditure being considered				Expenditure being incurred				Expenditure recently ended			NOTES	
	Current > €0.5m	Capital			Expenditure being incurred				Expenditure recently ended				
		Capital Grant Schemes	Capital Projects		Expenditure being incurred				Expenditure recently ended				
			€0.5 - €5m	€5 - €20m	€20m plus	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects		
<b>Housing &amp; Building</b>													
A01 Maintenance/improvement LA Housing								3,411,942					
A06 Support to Housing Capital Programme								942,100					
A07 RAS Programme	1,071,006							3,283,365					
A08 Housing Loans Programme								2,027,285					
A09 Housing Grants								1,202,324					
Housing Acquisition Programme						8,100,000							
Sophia Housing Association (CAS) Convent Site, Portlaoise (0128043C)						10,060,000							
Moore St. Rathdowney (6) (0115243C)				876,300									
Gleann na Glaise, Ballyroan (10) (0115238C)				1,762,900									
Moorville Rathdowney (8) (0115249C)				1,835,083									
Respond Dev. Abbeyleix Road, Portlaoise, (0128006C)						7,500,000							
Shannon Street, Mountrath (6) (0115232C)				1,728,797									
O'Moore Place Regeneration (0113002C)						6,500,000							
Hepburn Court/ Knockmay, Portlaoise						10,000,000							
St Kierans, Errill Phase 2 (14) (0115263C)				2,550,136									



Local Authority  <b>Laois County Council</b>	Expenditure being considered			Expenditure being incurred			Expenditure recently ended			NOTES
	Current	Capital		> €0.5m			> €0.5m			
	> €0.5m	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
		>€0.5m	€0.5 - €5m	€5 - €20m	€20m plus					

### Housing & Building

Sean Doire, Durrow Phase 2 (22) (0115257C)				4,467,829					
Harbour Court, Mountmellick, (6) (0115250C/0114090C)				1,200,000					
CALF Agreements (0112014C)							583,199		
CALF Corrig Glen (39) (0128042C)									741,000
CALF Ballickmoyler Rd, Graiguecullen				869,000					
CALF Main St. Stradbally (16) AHB NEHA				1,018,632					
CALF Bellingham (30) Cluid (incl 12 Part V)				797,173					
Part V Bellingham Phase 3 (12) (0115246C)				2,318,466					
Conniberry Way Construction (33) (0115184C)									4,714,600
House Purchases 2017 (47) (0115240C)									6,034,772
House Purchases 2018 (24) (0115244C)							6,000,000		
Ballymorris Rd, Portarlinton (22) (0115239C)					6,370,563				
Pattison Est, Mountmellick (10) (0115233C)				2,784,482					
Acquisition of County Hotel Site Main St. (0114089C)				3,000,000					
Part V at Foxburrow (6) (0115248C)				1,136,166					

Local Authority	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			NOTES
	Current		Capital		Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes		
	> €0.5m	Capital Grant Schemes	>€0.5m	€0.5- 5m							€5 - €20m	
Road Transportation and Safety												
B02 NS Road - Maintenance and Improvement						4,224,253						
B03 Regional Roads – Maintenance & Improvement	779,070					4,559,434						
B04 Local road – Maintenance and Improvement	2,118,947					9,640,427						
B05 Public Lighting						1,375,992						
B07 Road Safety Engineering Improv B1070117R N80 Maidenhead Sch	1,731,409					331,031 785,777					2018 Exp	
B10 Support to Roads Capital Prog						543,086						
N80 Maidenhead Scheme (B070117R)					6,064,223						Excl 785,777	
Portlaoise Southern Circular Route (0222052C)									7,305,000			
LED Public Lighting Upgrade				1,500,000								
Rural Regeneration Durrow				1,040,000								
Lyster Square (0225054C)				500,000								
Portarlinton Canal Road				1,000,000								
Laneways Upgrade Scheme, Portlaoise				1,000,000								
Footpath Upgrade/Risk Reduction - Portlaoise				900,000								
Portlaoise Public Realm				633,000								



Local Authority  <b>Laois County Council</b>	Expenditure being considered		Expenditure being incurred			Expenditure recently ended		NOTES
	Current > €0.5m	Capital		> €0.5m		> €0.5m		
		Capital Grant Schemes	Capital Projects					

### Road Transportation and Safety

Portlaoise – Market Sq, Main St & Lower Sq			2,960,000						
Mountmellick Flood Relief Scheme			3,200,000						
Portarlinton Flood Relief Scheme				5,600,000					
Low Carbon Town			2,702,000						
Cultural Quarter				9,372,000					

### Water Services

C01 Operation & Maintenance of Water Supply							2,337,006		
C02 Operation & Maintenance of Waste Water Treatment							1,530,787		

### Development Management

D01 Forward Planning							628,525		
D02 Development Management							841,776		
D06 Community and Enterprise Function							2,104,878		
D09 Economic Development & Promotion							1,571,830		
Portarlinton Enterprise Hub			1,016,000						
Faite Ireland Small Schemes Prog			575,000						
Togher Enterprise Lands (0422017C)				5,000,000					

Local Authority	Expenditure being considered				Expenditure being incurred			Expenditure recently ended		NOTES
	Current		Capital		> €0.5m		> €0.5m			
	> €0.5m	Capital Grant Schemes	Capital Projects	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	Capital Projects		
Laois County Council										

### Environmental Services

E01 Landfill Operation and Aftercare							792,975				
E02 Op & Mtce of Recovery & Recycling Facilities							562,128				
E05 Litter Management							537,899				
E07 Waste Regulations, Monitoring & Enforcement							524,077				
E11 Operation of Fire Services							4,037,153				
Fire Station at Rathdowney						1,500,000					

### Recreation & Amenity

F02 Operation of Library & Archival Service							2,310,622				
F04 Community, Sport, and Recreational Development							789,166				
F05 Operation of Arts Programme							1,310,947				
Portarlinton Public Realm & People's Park						2,316,000					
Portlaoise New Branch Library - Main St (0622009C)						4,996,311					
Agriculture, Education, Health and Welfare											
[Insert other category/s if required]											



Local Authority	Expenditure being considered				Expenditure being incurred			Expenditure recently ended		NOTES
	Current	Capital			> €0.5m			> €0.5m		
	> €0.5m	Capital Grant Schemes	Capital Projects		Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	
Laois County Council										
		>€0.5m	€0.5 - €5m	€5 - €20m	€20m plus					

### Miscellaneous Service

H03 Administration of Rates							2,575,223					
H09 Local representation/Civil Leadership							736,627					
H11 Agency & Recoupable							6,406,187					My Pay
Developments at Aras an Chontae (0883008C)											600,000	
<b>Total</b>	<b>5,700,432</b>		<b>52,183,275</b>	<b>74,566,786</b>			<b>61,924,822</b>		<b>14,488,199</b>		<b>11,490,372</b>	

## **8. APPENDIX B - Checklists**



## 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 to be carried out in 2019 in respect of Conniberry Way Housing Scheme. Not applicable to 2 Housing Capital Schemes.
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

Capital Expenditure being Considered – Appraisal and Approval	Self- Assessed Compliance Rating: 1 - 3	Comment/Action Required
2.1 Was a preliminary appraisal undertaken for all projects > €5m?	3	Score relates to Housing, Development Mgm, Recreation & Amenity Code Not applicable to Roads & Fire Service Code
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	3	Score relates to Housing, Roads, Fire Service, Recreation & Amenity and Development Mgm Codes
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)	3	Score relates to Housing, Development Mgm, Fire Service, Recreation & Amenity Codes Not applicable to Roads Code
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, Roads, Fire Service, Recreation & Amenity and Development Mgm Code
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views?	N/A	Not applicable to Housing, Roads, Fire Service, Recreation & Amenity Codes
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?	3	Score relates to Housing, Roads & Recreation & Amenity. Not applicable to Development Mgm & Fire Service Code
2.9 Was approval granted to proceed to tender?	3	Score relates to Housing, Roads & Recreation & Amenity Projects. Not applicable to Dev Mgm & Fire Code
2.10 Were procurement rules complied with?	3	Score relates to Housing, Roads, Fire Service, Recreation & Amenity. Not applicable to Dev Mgm Code
2.11 Were State Aid rules checked for all supports?	N/A	Not applicable to Roads and Development Mgm Codes
2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	Score relates to Housing, Roads & Recreation & Amenity. Not applicable to Dev Mgm & Fire Code
2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date?	2	Score relates to Housing, Roads Not applicable to Development Mgm, Fire & Recreation & Amenity Code
2.14 Have steps been put in place to gather performance indicator data?	3	Score relates to Housing, Roads and Development Mgm 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	Score relates to Housing & Roads
3.2 Are objectives measurable in quantitative terms?	3	Score relates to Housing & Roads
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	3	Roads – Yes, business case based on annual funding requirements for Road Maintenance
3.4 Was an appropriate appraisal method used?	3	Score relates to Housing & Roads
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	N/A	Score relates to Housing & Roads
3.6 Did the business case include a section on piloting?	N/A	
3.7 Were pilots undertaken for new current spending proposals involving total expenditure of at least €20m over the proposed duration of the programme and a minimum annual expenditure of €5m?	N/A	
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	N/A	
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	3	Score relates to Housing & Roads
3.11 Was the required approval granted?	3	Score relates to Housing & Roads
3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?	N/A	
3.13 If outsourcing was involved were procurement rules complied with?	N/A	
3.14 Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure programme which will allow for a robust evaluation at a later date?	3	Score relates to Housing & Roads
3.15 Have steps been put in place to gather performance indicator data?	3	Score relates to Housing & Roads



**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	Score relates to Housing, Roads, Corporate Code
4.2 Did management boards/steering committees meet regularly as agreed?	3	Yes -Score relates to Housing, Roads, Corporate Code
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	Yes -Score relates to Housing, Corporate Code
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 -Score relates to Roads, Corporate Code
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Yes -Score relates to Housing, Roads, Corporate Code
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	Yes -Score relates to Housing, Roads, Corporate Code
4.7 Did budgets have to be adjusted?	3	Score relates to Housing, Roads, Corporate & Code
4.8 Were decisions on changes to budgets / time schedules made promptly?	3	Score relates to Housing, Roads, Corporate Code
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	Score does not apply to Corporate
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 – There are clear objectives</li> <li>LEO – As per Local Enterprise Development Plan</li> <li>Community – As per Business Plan</li> <li>My Pay – Objectives set annually which are monitored by the Program Board</li> <li>Sports – Annual Service Plan</li> <li>Arts – Objectives in Arts Bus 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 – Outputs are well defined</li> <li>LEO – Annual Targets submitted to Enterprise Ireland</li> <li>Community – As per Business Plan</li> <li>MyPay – SLA in place with clients</li> <li>Arts – Defined Arts Business Plan</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>Planning – Yes</li> <li>LEO – Performance Monitoring System updated monthly basis for monitoring by Enterprise Ireland</li> <li>Community – As per Business Plan</li> <li>MyPay – SLA in place with clients</li> <li>Sports – Quarterly &amp; Annually</li> <li>Arts – Outputs quantified in Arts Bus Plan and Team Plan</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</li> <li>Planning – Quarterly reports , including PDP</li> <li>LEO – Quarterly cashflows submitted to Enterprise Ireland to ensure compliance/efficiency</li> <li>MyPay – SLA in place with clients</li> <li>Sports – LECP – Actions Review</li> <li>Arts – Arts Bus Plan &amp; Team Plan</li> </ul>
5.5 Are outcomes well defined?	3	<ul style="list-style-type: none"> <li>Water Services – Annual Service Plan</li> <li>Planning – Outcomes are well defined</li> <li>LEO – Outcomes clearly defined by number of new business start ups/new jobs created/uptake of LEO support/programme</li> <li>Community – As per Business Plan &amp; LECP Plan</li> <li>MyPay – SLA in place with clients</li> <li>Arts – As per Arts Business Plan</li> </ul>

5.6 Are outcomes quantified on a regular basis?	3	<ul style="list-style-type: none"> <li>Water Services – Annual Service Plan</li> <li>Planning – Outcomes are quantified on a regular basis</li> <li>LEO – Annual Employment Survey carried out to ascertain number of new jobs created in LEO supported business/monthly updates to EI</li> <li>Community – As per Business Plan &amp; LECP Plan</li> <li>MyPay – SLA in place with clients</li> <li>Arts – Arts Bus Plan &amp; Team Plan</li> </ul>
5.7 Are unit costings compiled for performance monitoring?	3	<ul style="list-style-type: none"> <li>Planning – Cost per capita is a PI</li> <li>MyPay – SLA in place with clients</li> <li>Arts – Quarterly Reports</li> </ul>
5.8 Are other data compiled to monitor performance?	3	<ul style="list-style-type: none"> <li>Planning – National PI, 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>MyPay – SLA in place with 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>Performance Monitoring System updated on monthly basis</li> <li>Community – Evaluation and review of outcomes</li> <li>MyPay – SLA in place with clients</li> <li>Arts – Evaluation &amp; review of outcomes</li> </ul>
5.10 Has the organisation engaged in any other 'evaluation proofing' of programmes/projects?	3	<ul style="list-style-type: none"> <li>Planning – This will be revised</li> <li>LEO – All training programmes are evaluated on completion. Annual Business Reviews carried out on LEO supported clients, Employment Survey carried out annually.</li> <li>Community – Files ready for audit.</li> <li>MyPay – Governance review carried out in 2016</li> <li>Arts – Files ready 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	▪ Score relates to Housing
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	▪ Score relates to Housing
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	▪ Score relates to Housing
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	3	▪ Score relates to Housing
6.8 Were project reviews carried out by staffing resources independent of project implementation?	3	▪ Score relates to Housing

**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**

<b>Current Expenditure that</b> <b>(i) Reached the end of its planned</b> <b>timeframe or</b> <b>(ii) Was discontinued</b>	<b>Self- Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
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.

## 9. APPENDIX C – In Depth Check No. 1

## Quality Assurance – In Depth Check

---

### Section A: Introduction

---

<b>Programme or Project Information</b>	
<b>Name</b>	<i>N80 – Maidenhead Realignment Scheme</i>
<b>Detail</b>	<i>Completion of the N80 Maidenhead to Coolanowle Realignment Scheme to improve road safety performance</i>
<b>Responsible Body</b>	<i>Laois County Council</i>
<b>Current Status</b>	<i>Expenditure Being Considered</i>
<b>Start Date</b>	<i>January 2015 (Planning &amp; Design Stage) (Construction August 2019 – 18 Months)</i>
<b>End Date</b>	<i>January 2021 (Construction ) - Substantial Completion</i>
<b>Overall Cost</b>	<i>€6.85 million</i>

## ***Project Description***

### ***A) Background***

The N80 is a National Secondary Road situated in Counties Offaly, Laois, Carlow and Wexford. It connects Tullamore with Enniscorthy, via a series of major towns including Portlaoise and Carlow, and smaller towns and villages including Mountmellick, Stradbally, Arles, Ballon and Bunclody.

The N80 forms part of the Central Spine Linking Corridor as described in the National Spatial Strategy. One of the route's principal functions as part of the National Road network is to provide access between the key towns of the midlands and Rosslare Europort. It also serves as an important link between major focal points such as Tullamore, Portlaoise, and Carlow, while crossing the M7 and the M9 Motorways and also providing access to the M6 Motorway.

The crucial importance of the route from a national, regional and local socio-economic perspective is highlighted in the National Spatial Strategy, the Midland Regional Planning Guidelines and the Laois County Development Plan as well as the county development plans of adjoining local authorities through which it passes.

The project involves carrying out a road safety improvement scheme for a series of bends on a section of the route at maidenhead and Coolanowle. These bends are located circa 3km south-east of Simmon's Cross Roads (N78/N80 junction) and circa 1km north-west of the village of Arles. The bends are located between two sections of relatively good alignment and have been the scene of numerous collisions, some fatal, in recent years.

It has been identified by the NRA Collision Cluster Analysis as a High Collision Location (HCL) in accordance with NRA HD15 and the Garda Síochána have highlighted the segment as a collision problem area.

The primary objective of carrying out a road improvement scheme at the location of the N80 at the maidenhead to Coolanowle section is to improve the road safety performance. Road safety at this location can be improved by improving the geometry of the road as the existing layout does not comply with the standards contained in the National Roads Authority Design Manual for Roads and bridges. This requires improvement to the horizontal alignment, vertical alignment and cross-section. These improvements will enhance the forward visibility along this section, reduce the likelihood of head on collisions occurring and reduce the likelihood of single vehicle crashes where the vehicle has veered off the road.

## **B) Need for the Scheme**

The need for the scheme is based on consideration of a number of key factors including:

### ***Collisions***

The collisions for the section of the N80 at the Maidenhead and Coolanowle bends were identified from the Road Safety Authority's collision database for the period between 2000 and 2012. The sections of the N80 at the Maidenhead and Coolanowle bends have had two fatal collisions, one serious injury collision and 15 minor injury collisions in the period. It has been identified by the NRA Collision Cluster Analysis as a High Collision Location (HCL) in accordance with NRA HD15 and the Garda Síochána have highlighted the segment as a collision problem area.

### ***Condition***

The condition of the sections of the N80 at Maidenhead and Coolanowle is a legacy route corridor which fits within the existing landscape without consideration of modern road design requirements. As a consequence the existing alignment is below standard and the route is narrow and bendy.

### ***Geometry***

At the southern Maidenhead bends, the existing N80 is severely curved horizontally to avoid areas of high and low ground on both sides of the road. The problematic section of the N80 at Maidenhead starts 3.2km south of Simmon's Cross (N78/N80 junction) and finishes 500m north of the junction with the L79791 at Ballynagall (start of Arles 50 kph zone).

The bends at Coolanowle on the N80 have a moderately tight horizontal curvature with relatively flat farmland on either side of the existing road along most of the section. There is a cluster of dwellings towards the northern end of the section of road. This problematic section of the N80 at Coolanowle starts 2kms south of Simmon's Cross (N78/N80 Junction) and finishes approximately 1.7km north of the junction with the L79791 at Ballynagall (start of Arles 50 kph zone). It lies between the townlands of Maidenhead to the South and Castletown to the North.

### ***Horizontal Geometry***

The existing horizontal geometry can be described as significantly below desirable minimum standards in the immediate vicinity of the Maidenhead bends and as below desirable minimum standards in the immediate vicinity of the bends at Coolanowle.



### ***Junctions and Accesses***

There are three at-grade junctions with the local road network along the proposed upgrade scheme. In addition to public road junctions there are a further 17 direct accesses from houses, farms, fields, and commercial premises dispersed along the route with generally poor visibility mainly due to horizontal alignment. Each of these locations represents a potential safety hazard and significantly reduces the capacity of the existing road.

### **Conclusion**

The improvements to the N80 in the area between Maidenhead and Coolanowle constitute road improvements that improve the national road network, facilitate the upgrade of a strategic transport link, contribute to the economic potential of the area and improve the quality of life for residents and visitors.

The proposed scheme is consistent with the strategic policies, objectives and aims of relevant national, regional and local policies, particularly relevant planning and environmental policies.

### **C) 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 above.

*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.

#### **D) Issues Arising - Technical Consultancy Services/Site Supervision**

An Invitation to Tender was issued on 26<sup>th</sup> October 2018 for the Call-Off Contract from the Framework Agreement for Technical Consultancy Services Framework with Local Authorities, and the National Roads Authority acting as Client Lot 1c - Technical Consultancy Services for the provision of Technical Consultancy Services for N80 Maidenhead Realignment Scheme – Phases 6 and 7. 2 no. completed tenders were received by the deadline of Friday 16<sup>th</sup> November 2018. Both tenders were evaluated for quality and price by an independent Tender Assessment Board. Transport Infrastructure Ireland confirmed that the contract would not receive their approval to award in accordance with the Tender Assessment Report as the tender price submitted was too high and that an alternative scope for the provision of site supervision be examined. Laois County Council terminated this competition without award on 6<sup>th</sup> March 2019.

On 8<sup>th</sup> March 2019, Laois County Council issued the Invitation to Tender for Technical Consultancy services for the N80 Maidenhead Realignment Scheme – Site Supervision, call-off mini tender for Technical Consultancy Services Framework with Local Authorities and the National Roads Authority acting as Client, Lot 1. There are 8 no. Participants on this framework and no completed tenders were received.

As a result, Laois County Council is required to provide the necessary site supervisory and contract management staff for the scheme. This will put a further strain on Laois County Council's own resources, but is necessary if the scheme is to progress.

Laois County Council is currently awaiting approval from Transport Infrastructure Ireland for confirmation that there is funding to award the main works contract and this confirmation/approval also includes for the necessary site supervision and contract management.

The implications of the results of these tender processes are that significant risk may be added to the carrying out of capital projects for the Council, due to spiralling costs of technical consultancy services or through the non availability of prospective tenderers. Both scenarios would have the impact of seriously delaying projects or resulting in their possible postponement, if the necessary staff resources cannot be obtained. This should be noted and given due consideration by management and staff who may be undertaking capital projects for the Council in the future.

## **E) 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 N80 Maidenhead Realignment Project (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).

## **F) Summary**

The N80 Maidenhead Realignment Project is ongoing and is budgeted to cost €6.85 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 N80 Maidenhead Realignment scheme.

Objectives	Inputs	Activities	Outputs	Outcomes
To carry out road improvements at the location of the N80 at the Maidenhead to Coolanowle section to improve road safety performance.	<p>Budgeted expenditure for the project is €6.85 mil.</p> <p>Staff back-up support of an Administrative &amp; Technical Nature</p>	<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 including multi-criteria analysis</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>	<p>Completion of road improvements to realign a section of the N80 National Secondary Route at Maidenhead and Coolanowle.</p>	<p>Completion of road improvements to realign a section of the N80 National Secondary Route at maidenhead and Coolanowle</p> <ul style="list-style-type: none"> <li>- Improved road safety performance along the section of realigned road</li> <li>- facilitate the upgrade of a strategic transport link</li> <li>- Improved quality of life for local residents and road users</li> </ul>

### ***Description of Programme Logic Model***

**Objectives:** The objectives of the programme are to carry out road improvements at the location of the N80 at the Maidenhead to Coolanowle section to improve road safety performance.

**Inputs:** The budgeted cost of the scheme is €6.85m.

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. R.P.S. Consulting Engineers appointed as Consultant Engineers and Project Supervisor Design Stage (PSDP) (County Manager's Order no.56 dated 8<sup>th</sup> October 2012).
2. In March 2016, the Consulting Engineers prepared 3 reports: a) Project Appraisal Report, including multi-criteria analysis, b) an Application for Approval in Accordance with Section 177AE of the Planning and Development Acts 2000 to 2015; c) a Natura Impact Statement Report. The application and reports were lodged with an Bord Pleanála on 6<sup>th</sup> April 2016.
3. RPS Consulting Consulting Engineers were appointed as Designers to the scheme in August 2016 (Chief Executive's Order no. 149 dated 25<sup>th</sup> August 2016) to prepare:
  - Detailed Design and Specification
  - Technical Appraisal Report for Underpasses
  - Tender Documents
  - Bill of Quantities
4. Lisney were appointed for the provision of Land and Property Valuation Services in August 2016 (Chief Executive's Order no. 143 dated 18<sup>th</sup> August 2016)
5. Approval was granted by an Bord Pleanála in decision dated 21<sup>st</sup> September 2016.
6. 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

7. The Council carried out the CPO process in tandem with the requirements of Section 5.
8. The Council received approval from the Department to proceed to tender in April 2018.
9. The main contract was published on etenders on 14<sup>th</sup> September 2018 (RFT 139799).
10. 10 no. tenders received and opened on 22<sup>nd</sup> October 2018.
11. Invitation to Tender issued on 26<sup>th</sup> October 2018 for Technical Consultancy Services.
12. Competition for Technical Consultancy Services terminated on 6<sup>th</sup> March 2019 as Tender Assessment Board and Transport Infrastructure Ireland deemed the tender prices submitted were too high.
13. Invitation to Tender issued on 8<sup>th</sup> March 2019 for Technical Consultancy Services-Site Supervision. No completed tenders received despite 8 no. participants on the Technical Consultancy Services framework.
14. Chief Executive Order No. 23/2019 signed on 4<sup>th</sup> April 2019 approving that a letter of intent be sent to the preferred tenderer and that approval be sought from Transport Infrastructure Ireland.
15. Letter of intent issued on 9<sup>th</sup> April 2019.
16. Letter of Acceptance to issue on receipt of Transport Infrastructure Ireland approval.
17. The successful tenderer will be appointed to construct the Road following completion of the tender process.
18. Construction to commence in August 2019 with 18 month construction time.

**Outputs:** Completion of road improvements to realign a section of the N80 National Secondary Route at Maidenhead and Coolanowle.

**Outcomes:** Completion of road improvements to realign a section of the N80 National Secondary Route at Maidenhead and Coolanowle:

- Improved road safety performance along the section of realigned road
- Facilitate the upgrade of a strategic transport link
- Improved quality of life for residents and road users

---


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

---

The following section tracks the N80 Maidenhead realignment Scheme from inception to conclusion in terms of major project/programme milestones

October 2012	<i>R.P.S. Consulting Engineers appointed as Consultant Engineers and Project Supervisor Design Stage (PSDP) (County Manager's Order no.56 dated 8<sup>th</sup> October 2012).</i>
March 2016	<i>The Consulting Engineers prepared 3 reports: a) Project Appraisal Report including multi-criteria analysis, b) an Application for Approval in Accordance with Section 177AE of the Planning and Development Acts 2000 to 2015; c) a Natura Impact Statement Report. The application and reports were lodged with an Bord Pleanala on 6<sup>th</sup> April 2016.</i>
August 2016	<i>RPS Consulting were further Consulting Engineers were appointed as Designers to the scheme in August 2016 (Chief Executive's Order no. 149 dated 25<sup>th</sup> August 2016) to prepare:</i> <ul style="list-style-type: none"><li><i>- Detailed Design and Specification</i></li><li><i>- Technical Appraisal Report for Underpasses</i></li><li><i>- Tender Documents</i></li><li><i>- Bill of Quantities</i></li></ul>
August 2016	<i>Lisney appointed for the provision of Land and Property Valuation services</i>
September 2016	<i>Approval was granted by an Bord Pleanala in decision dated 21<sup>st</sup> September 2016.</i>
October 2016	<i>Chief Executive's Order No. 180 dated 19<sup>th</sup> October 2016 for approval to serve Notice to treat on landowners and other parties as per LCC Compulsory Purchase Order No.1 of 2016</i>
February 2017	<i>Chief Executive's Order No. 017 dated 8<sup>th</sup> February 2017 for approval to accept tender in respect of the provision of legal services and advices in relation to conveyancing on the scheme</i>





January 2018	Chief Executive's Order No. 006 dated 16 <sup>th</sup> January 2018 for approval to accept tender in respect of the provision of Procurement Assurance Services in relation to the tender documents for the scheme
January 2018	Chief Executive's Order No. 007 dated 16 <sup>th</sup> January 2018 for approval to accept tender in respect of the provision of Quantity Surveying Services in relation to the tender documents for the scheme
February 2018	Chief Executive's Order No. 019 dated 12 <sup>th</sup> February 2018 for approval to accept tender in respect of the provision of Archaeological Services in relation to the tender documents for the scheme
September 2018	Main contract published on etenders on 14 <sup>th</sup> September 2018 (RFT 139799)
October 2018	Invitation to Tender for Technical Consultancy Services issued on 26 <sup>th</sup> October 2018 – Deadline 16 <sup>th</sup> November 2018. 2 no. tenders received. Competition terminated on 6 <sup>th</sup> March 2019 as Transport Infrastructure Ireland deemed tender price submitted was too high.
March 2019	Invitation to Tender for Technical Consultancy Services-Site Supervision issued on 8 <sup>th</sup> March 2019. No completed tenders received
April 2019	Chief Executive's Order No. 23/2019 dated 4 <sup>th</sup> April 2019 approving that a Letter of Intent be sent to the preferred tenderer and that approval be sought from Transport Infrastructure Ireland to award the contract.
April 2019	Letter of Intent issued to preferred tenderer on 9 <sup>th</sup> April 2019.

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

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the N80 Maidenhead Realignment Scheme.

<b>Project/Programme Key Documents</b>	
<b>Title</b>	<b>Details</b>
<b>1. Appointment of Consulting Engineers</b>	County Manager's Order No.56, appointing RPS Consulting Engineers and Project Supervisor Design Stage, dated 8 <sup>th</sup> October 2012
<b>2. Project Appraisal Report – March 2016</b>	Project Appraisal Report including Multi-Criteria Analysis
<b>3. Application for Approval in Accordance with Section 177AE of the Planning and development Acts 2000 to 2015</b>	Sets out the Need for the scheme; the planning context; the scheme objectives and a description of the scheme including an environmental assessment
<b>4. Natura Impact Statement Report</b>	Prepared by the Consulting Engineers in accordance with the requirements of Council Directive 92/43/EEC on the Conservation of Natural Habitats and of Wild Fauna and Flora; the Planning and Development Acts 2000-2015; and the European Communities (Birds and natural habitats) Regulations 2011(SI No. 477/2011) as amended.
<b>5. Appointment of Consulting Engineers</b>	Chief Executive's Order appointing RPS Consulting Engineers for Design Stage dated 25 <sup>th</sup> August 2016
<b>6. Decision of an Bord Pleanála dated 21<sup>st</sup> September 2016.</b>	Approval of an Bord Pleanála to the project received in decision dated 21 <sup>st</sup> September 2016
<b>7. Chief Executive's Order No. 180 dated 19<sup>th</sup> October 2016.</b>	Approval to serve Notice to treat on landowners and other parties as per LCC Compulsory Purchase Order No.1 of 2016
<b>8. Chief Executive's Order No. 017 dated 8<sup>th</sup> February 2017.</b>	Approval to accept tender in respect of the provision of legal services and advices in relation to conveyancing on the scheme
<b>9. Chief Executive's Order No. 006 dated 16<sup>th</sup> January 2018.</b>	Approval to accept tender in respect of the provision of Procurement Assurance Services in relation to the tender documents for the scheme
<b>10. Chief Executive's Order No. 007 dated 16<sup>th</sup> January 2018.</b>	Approval to accept tender in respect of the provision of Quantity Surveying Services in relation to the tender documents for the scheme
<b>11. Chief Executive's Order No. 019 dated 12<sup>th</sup> February 2018.</b>	Approval to accept tender in respect of the provision of Archaeological Services in relation to the tender documents for the scheme
<b>12. Chief Executive's Order No. 023 dated 4<sup>th</sup> April 2019.</b>	Approval for a Letter of Intent to be issued to the preferred tenderer and that approval be sought from Transport Infrastructural Ireland to award the contract.
<b>13. Letter of Intent issued to preferred tenderer on 9<sup>th</sup> April 2019.</b>	Letter of Intent issued to preferred tenderer on 9 <sup>th</sup> April 2019 following tender assessment process.

**Key Document 1:** County Manager's Order No.56 dated 8<sup>th</sup> October 2012 appointed RPS Consulting Engineers as Consultant Engineers and PSDP for the project on the basis of a "fixed price lump sum fee for clearly defined services" to complete a detailed design and prepare contract documents in accordance with Department of Finance Guidelines.

**Key Document 2:** The Project Appraisal Report including Multi-Criteria Analysis published by the Consulting Engineers in March 2016. The following information was contained in the Project Appraisal Report:

- Introduction
- Project Context: need for and objectives of the scheme
- The Preferred Option- the proposed scheme design and alternatives considered
- Analysis Tools – Traffic Modelling and Cost Benefit Analysis
- Scheme Appraisal – Project Appraisal Balance Sheet
- Risk Assessment – key risks of the project
- Business Case – Summary of previous sections to outline the Business Case for the scheme

**Key Document 3:** Application for Approval in Accordance with Section 177AE of the Planning and Development Acts 2000 to 2015 published and submitted by the Consulting Engineers in March 2016.

**Key Document 4:** Natura Impact statement prepared by the Consulting Engineers in accordance with the requirements of Council Directive 92/43/EEC on the Conservation of Natural Habitats and of Wild Fauna and Flora; the Planning and Development Acts 2000-2015; and the European Communities (Birds and natural habitats) Regulations 2011(SI No. 477/2011) as amended.

**Key Document 5:** Chief Executive's Order appointing RPS Consulting Engineers for Design Stage dated 25<sup>th</sup> August 2016

**Key Document 6:** Approval of an Bord Pleanála to the project received in decision dated 21<sup>st</sup> September 2016.

**Key Document 7:** Chief Executive's Order No. 180 dated 19<sup>th</sup> October 2016 for approval to serve Notice to treat on landowners and other parties as per LCC Compulsory Purchase Order No.1 of 2016

**Key Document 8:** Chief Executive's Order No. 017 dated 8<sup>th</sup> February 2017 for approval to accept tender in respect of the provision of legal services and advices in relation to conveyancing on the scheme

**Key Document 9:** Chief Executive's Order No. 006 dated 16<sup>th</sup> January 2018 for approval to accept tender in respect of the provision of Procurement Assurance Services in relation to the tender documents for the scheme

**Key Document 10:** Chief Executive's Order No. 007 dated 16<sup>th</sup> January 2018 for approval to accept tender in respect of the provision of Quantity Surveying Services in relation to the tender documents for the scheme

**Key Document 11:** Chief Executive's Order No. 019 dated 12<sup>th</sup> February 2018 for approval to accept tender in respect of the provision of Archaeological Services in relation to the tender documents for the scheme.

**Key Document 12:** Chief Executive's Order No. 023 dated 4<sup>th</sup> April 2019 for approval to issue a Letter of Intent to the preferred tenderer and that approval be sought from Transport Infrastructural Ireland to award the contract.

**Key Document 13:** Letter of Intent issued to preferred tenderer on 9<sup>th</sup> April 2019 following tender assessment process.



---

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

---

The following section details the data audit that was carried out for the N80 Maidenhead Realignment. 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>
<i>Project Appraisal Report including Multi-Criteria Analysis</i>	<i>Justification and VFM of the Scheme</i>	<i>Available from files</i>
<i>Completed Scheme Appraisal – Simple Appraisal Tool – PAG Unit 12</i>	<i>Justification and VFM of the Scheme</i>	<i>Available from files</i>
<i>Overall Level of Project Expenditure</i>	<i>Measure Programme Inputs</i>	<i>Available from files and Agresso Financial Management System</i>
<i>Break-down of Costs of the project expenditure</i>	<i>For comparison purposes with future schemes</i>	<i>Available from files and Agresso Financial Management System</i>

#### **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 N80 Maidenhead Realignment Scheme 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 N80 Realignment Scheme 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 published in March 2016 and the report presents the Business Case for the N80 Maidenhead Realignment Scheme. An addendum to the Project Appraisal Report included a Minor Project Budget Sheet and a Simple Appraisal Tool – PAG Unit 12 from Transport Infrastructure Ireland.

The scheme has subsequently gone through the CPO process and the land Acquisition process is ongoing. The tender process for the construction contract is ongoing. A Letter of Intent has issued to the preferred tenderer and approval to award the contract has been requested from Transport Infrastructure Ireland. Construction will commence in August 2019 with an 18 month construction time frame subject to the necessary approval being secured. 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 N80 Maidenhead Realignment Scheme 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?**

**Audit Opinion** – **Substantial Assurance** (see **Appendix 1** for a definition of opinion)

The Substantial Assurance grading outlined above is based on the overall control environment in respect of the N80 Maidenhead Realignment Scheme.

This in-depth check demonstrates that the Council is fulfilling its obligations under the Public Spending Code in respect of the scheme.

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.

However, issues have arisen in relation to the tenders for Technical Consultancy Services/Site Supervision, whereby tenders prices were deemed to be too high in one instance and no tenders were received in the other.

As a result, Laois County Council is required to provide the necessary site supervisory and contract management staff for the scheme. This will put a further strain on Laois County Council’s own resources, but is necessary if the scheme is to progress.

Laois County Council is currently awaiting approval from Transport Infrastructure Ireland for confirmation that there is funding to award the main works contract and this confirmation/approval also includes for the necessary site supervision and contract management.

The implications of the results of these tender processes are that significant risk may be added to the carrying out of capital projects for the Council, due to spiralling costs of technical consultancy services or through the non availability of prospective tenderers. Both scenarios would have the impact of seriously delaying projects or resulting in their possible postponement, if the necessary staff resources cannot be obtained. This should be noted and given due consideration by management and staff who may be undertaking capital projects for the Council in the future.

---

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

---

The following section presents a summary of the findings of this In-Depth Check on the N80 Maidenhead Realignment Scheme.

#### **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 N80 Maidenhead Realignment Scheme. To date, the Council has followed the required procurement processes and procedures, and ensured that the necessary approval has been obtained from An Bord Pleanála.

The tender stage for construction works has been completed, while land acquisition is ongoing. A Letter of Intent has issued to the preferred tenderer and approval has been sought from Transport Infrastructure Ireland to award the construction contract. Construction will commence in August 2019 with an 18 month construction time frame subject to the necessary approval being secured.

However, issues have arisen in relation to the tenders for Technical Consultancy Services/Site Supervision, whereby tenders prices were deemed to be too high in one instance and no tenders were received in the other.

As a result, Laois County Council is required to provide the necessary site supervisory and contract management staff for the scheme. This will put a further strain on Laois County Council's own resources, but is necessary if the scheme is to progress.

Laois County Council is currently awaiting approval from Transport Infrastructure Ireland for confirmation that there is funding to award the main works contract and this confirmation/approval also includes for the necessary site supervision and contract management.

The implications of the results of these tender processes are that significant risk may be added to the carrying out of capital projects for the Council, due to spiralling costs of technical consultancy services or through the non availability of prospective tenderers. Both scenarios would have the impact of seriously delaying projects or resulting in their possible postponement, if the necessary staff resources cannot be obtained. This should be noted and given due consideration by management and staff who may be undertaking capital projects for the Council in the future.

The Project Appraisal Report carried out by the Project Supervisor Design Stage (Consulting Engineers) dated March 2016 includes a Multi-Criteria Analysis which is a requirement of the Public Spending Code for projects costing between €5m and €20m. An addendum to the Project Appraisal Report included a Minor Project Budget Sheet and a Simple Appraisal Tool – PAG Unit 12 from Transport Infrastructure Ireland.

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 2019 will be carried out in compliance with the Capital Works Management Framework which is also consistent with the Public Spending Code.

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

Overall, the process and procedures carried out to date in respect of the N80 Maidenhead Realignment Scheme comply with the relevant guidelines and frameworks and thus are in substantial compliance with the Public Spending Code.

## **Appendix 1 - Definitions of Overall Audit Opinion on System Adequacy and Control**

<b>Level</b>	<b>System Adequacy &amp; Controls</b>
<b>Full Assurance (Effective)</b>	<i>Internal controls meet acceptable standards overall and provides reasonable, but not absolute assurance, that the activity covered is subject to adequate risk management and control</i>
<b>Substantial Assurance (Some improvement Needed)</b>	<i>Internal control framework meets minimum acceptable standards overall but needs to be improved because some risks are not adequately mitigated</i>
<b>Limited Assurance (Major Improvement Needed)</b>	<i>Internal control framework does not meet minimum acceptable standards overall as some key control activities require significant improvement to ensure that all risks are adequately mitigated</i>
<b>No Assurance (Unsatisfactory)</b>	<i>The internal control framework does not meet minimum acceptable standards overall. Systematic and/or material control weaknesses were identified</i>

## 10. APPENDIX D – In Depth Check No. 2

## Quality Assurance – In Depth Check

---

### Section A: Introduction

---

<b>Programme or Project Information</b>	
<b>Name</b>	<i>Housing Maintenance Operations 2018</i>
<b>Detail</b>	<i>Revenue Expenditure Incurred in respect of Housing Maintenance Operations 2018</i>
<b>Responsible Body</b>	<i>Laois County Council</i>
<b>Current Status</b>	<i>Expenditure Being Incurred</i>
<b>Start Date</b>	<i>1<sup>st</sup> January 2018</i>
<b>End Date</b>	<i>31<sup>st</sup> December 2018</i>
<b>Overall Cost</b>	<i>€2,180,500 (Budget 2018)</i>

## Project Description

### (i) Introduction

Laois County Council had 2,170 housing units in its possession at 31/12/2017 and it is imperative that this housing stock is maintained to a high standard and that the value of the assets are protected. It is equally important that expenditure on housing maintenance is monitored and controlled in order to achieve value for money, and to ensure the effective use of scarce resources.

### Budget & Expenditure

Approximately €2.16 million was spent on housing maintenance in 2018 with the bulk of this money being accounted for by Emergency Repairs €1,364,574, Housing Reletting Repairs (€114,712), Major Relet Repairs (€198,578) and Housing Miscellaneous (€233,265). Some of this expenditure comes from internal capital receipts while the bulk of the monies come out of revenue expenditure.

The budget for 2019 is €2,216,000.

Expenditure for 2017 and 2018 and the budgeted cost for 2018 under the various categories of expenses were as follows:

**Table 1- Maintenance codes expenditures 2017 and 2018 and Budget 2018**

Job	Description	Exp. 2017 €	Exp .2018 €	Budget 2018 €	
0111003R	Septic Tank			2,000	
0111006R	Emergency Repairs	1,214,743	1,364,574	1,039,500	
0111009R	Housing Relet Repairs	85,095	114,712	100,000	
0111010R	Energy Efficiency Programme	-141	132,311	170,000	
0111012R	Major Relet Repairs	350,628	198,578	552,000	
0111017R	Management Fees	68,364	71,409	70,000	
0118001R	LA Housing Miscellaneous	225,186	233,265	225,000	
A040303R	Fencing Works (L.A. Estates)		49,645	22,000	
	<b>Total</b>	<b>1,943,874</b>	<b>2,164,494</b>	<b>2,180,500</b>	<b>16,006</b>

- The budget was subject to review over the year.

Reports taken from the Agresso Financial Management system show that expenditure was charged to a total of 1,232 houses in 2018; Emergency Repairs - 1,110 houses; Housing Relet Repairs - 106 houses; and expenditure in relation to 16 houses was charged to the Major Relets.



On this basis almost 57% of the Council's Housing Stock has had some type of repairs/maintenance carried out in 2018 (a total of 1,232 houses out of 2,170 houses).

### **Staff Structure**

Housing Maintenance Management has estimated that the fulltime equivalent staffing for Housing Maintenance is approximately 1.5 (FTE) Administration Staff, 1.4 (FTE) Engineering Staff and 2.2 (FTE) Outdoor Supervisory Staff, and 6 (FTE) Tradespersons and 2 (FTE) General Operatives – a total of 13.1 (FTEs). There is a clear staff structure in place and there is segregation of duties in both procurement procedures and purchase order procedures.

### **Systems**

#### **(i) Ihouse System**

The Ihouse system is used to log and record repair requests, however Housing Maintenance Management has advised that it is not an effective tool for tracking and managing the housing repairs workflow.

Housing Management has advised that there is an issue with regard to obtaining up-to-date statistics and reports from the system as there can be a delay in obtaining confirmation of completion of jobs from contractors and from the Housing Maintenance office. Spreadsheets and an email based system are used at present in conjunction with Ihouse to produce necessary data but this is a labour intensive short-term solution. There is no designated staff resources assigned to updating the system and as a result there are no readily available statistics such as the number of jobs currently outstanding or the number of jobs carried out on a daily, weekly or monthly basis.

Management has also advised that to effectively manage the housing repairs workflow (including identifying jobs that are running overdue, and identifying where contractors/LCC staff are becoming overloaded) it is necessary to provide additional staff resources to ensure that progress reports on all jobs are kept up to date on a daily basis.

Housing management has advised that the risks of not providing an adequate workflow tracking and management system include:

- Jobs being delayed/running overdue, with knock-on effects on tenant welfare, tenant safety, customer service and reputational damage,
- Unable to balance Contractor/Council staff workload, resulting in delays,
- Duplication of jobs where tenant frustration leads to calls being logged a second time, and a second Work Order issuing for the same repair job, with the associated inefficiencies,
- Up to date information unavailable to management/decision makers.

Housing Management has advised that they are currently investigating software solutions to deal with these issues in conjunction with the IT Department. Detailed analysis of the current workflow and related issues has been carried by the Housing Maintenance Engineer as part of a Housing Maintenance Business Processes report carried out in 2018. This analysis is informing Housing Management with regard to the type of Enterprise Content Management Solution required which

will deal with the workflow and will provide up-to-date real time information on the status of all jobs.

While a new workflow software system is required there will be costs associated with the purchase of the system, such as installation and configuration costs, training costs and annual subscription costs. However, the benefits in terms of time savings for staff and up to date real time management information would suggest that the implementation of a software solution is essential to the efficient operation of the Housing Maintenance Department.

## **(ii) Agresso Financial Management System**

The Agresso Financial Management System is used to monitor income, expenditure and budgets.

### **Policy & Processes**

The Council adopted a Housing Maintenance policy in September 2010, which includes a tenant's handbook. This policy remains valid and is the current policy guiding maintenance issues and the Council's and Tenant's respective responsibilities under the tenancy agreements.

A Housing Maintenance Process Handbook was drafted and developed in 2018 which provides a very detailed and comprehensive process for dealing with repair requests from initial receipt of a new request to when work has been completed or otherwise.

### **Expenditure on outsourced Contracts**

Panels for minor trades and security services are advertised annually. While it is necessary that outside contractors must be hired in certain circumstances, it is imperative that use of the Council's own staff is maximised. In 2018, Contractor's accounted for 54.87% of the Emergency Repairs expenditure, 82.94% of the Housing Relets expenditure, and 88.78% of the Major Relet Repairs expenditure.

### **Procurement**

A test sample of procurement procedures for the 5 largest expenditures under each of the Emergency Repairs, Housing Relet Repairs and Major Relet Repairs job codes for 2018 were satisfactory, though some samples show that procurement procedures were not complied with in all instances. The main reason why normal procurement procedures were not followed in some instances was that the works were deemed to be of an emergency nature, and these were approved by the Senior Executive Engineer or Executive Engineer, Housing Maintenance.

### **Disposal of Materials/Equipment**

Housing Management has advised that generally there are no materials of any great value recovered from housing repairs, and assets are generally run- to-failure. Items of equipment that can be recycled and re-used are stored at the Housing Maintenance Depot. Housing Management also advised that the Housing Maintenance Department has not disposed of materials through sale over the past number of years, but advised that it would be useful to have a system of disposal for low value items, that are at, or close to the end of life. However, due to the nature and condition of

items that may be resold, it is unlikely that a profit or value for money could be achieved after the cost of holding stock, advertising and the cost of sales are incurred.

Housing management advised that this issue will be kept under review and if a more efficient and less costly means of disposal can be achieved, this will be introduced and implemented.

### **Procurement and Low Value Purchase (LVP) Cards**

Seven Low Value Purchase (LVP) cards are assigned to Housing Maintenance staff with total expenditure under the Emergency Repair Code of €145,453 incurred in 2018. Only six of the cards were used during the year. The transaction limit per card is €400 and the monthly limit is €4,000.

The following are the results of a full examination of the Housing Maintenance Cards used during 2018:

- 6 out of the 7 cards assigned to Housing Maintenance staff were used
- 1,342 transactions were carried out over the year.
- An analysis of all the transactions shows that neither the individual transaction limit of €400 per card, or the monthly limit of €4,000, were exceeded over the course of the year.
- The top five suppliers were paid the following amounts:
  - Supplier 1 - €62,983
  - Supplier 2 - €26,984
  - Supplier 3 – €16,148
  - Supplier 4 - €16,066
  - Supplier 5 - €14,282
- The largest expenditure incurred by a card user over the year was €34,162.80 spread over 300 transactions.
- The lowest expenditure incurred was a total of €10,838.61, spread over 174 transactions.

A risk inherent with the Low Value Purchase Card System is that staff could use the card to purchase items of a value greater than their limit allows and thereby circumvent proper procurement procedures.

In order to check this all daily transactions were examined whereby a card was used more than once on the same date to purchase items from the same supplier in excess of the €400 limit per transaction.

- It was found that there were 59 occurrences (days) where amounts of more than the €400 transaction limit were spent with the same supplier on a given day and this was facilitated by 150 transactions.
- Receipts/delivery dockets for each of these transactions were examined and 10 examples were found where split transactions had occurred e.g. purchase of a power shower costing €528.84 on 17<sup>th</sup> August 2018.
- Other examples showed that goods/equipment such as oven/hobs and radiators were purchased costing over €400 and these were split over two or more transactions.
- There were other examples where goods/equipment costing over €400 were coded to stock or coded over various properties.

The Housing Maintenance Executive Engineer has finalised a tender process whereby some of these larger items which are likely to cost over €400 was put out to tender and these items will be purchased from the lowest priced bidders as far as possible.

The purpose of the procurement exercise was to (i) comply with the Chief Executive's Procurement Order in so far as possible, and (ii) to maximise operational efficiency by ensuring that the most frequently used suppliers are available for urgent repairs when required. It is not the intention that this procurement route will replace the Low Value Purchase Card system, but supplement it.

Works will be procured by Restricted Tender Competitions using the Public Works Form of Contract PW – CF11.

Supplies and Services will be procured through OGP/SupplyGov where a framework exists, or using the LGMA form of RFQ (Requests for Quotation).

### **Conclusion**

**Audit Opinion – Substantial Assurance** (see Appendix 1 for a definition of opinion)

The Substantial Assurance grading outlined above is based on the overall control environment in respect of Housing Maintenance operations. The Internal Control framework meets minimum acceptable standards overall but needs to be improved because some risks are not adequately mitigated.

Overall, it appears that the controls in place to manage risks involved in housing maintenance operations are satisfactory apart from some issues outlined above. Most of the recommendations made in the Housing Maintenance Internal Audit Report -January 2014, and most of the best practice initiatives outlined in the NOAC Report "A Review of the Management and Maintenance of Local Authority Housing"- May 2017 have been implemented.

Housing Management needs to ensure that the current level of oversight, monitoring and checking of both financial and human resources, in Housing Maintenance operations is continued and improved where necessary. It is essential that a new software system is introduced and implemented to manage the workflow and to provide up to date real-time information for management. Housing Maintenance Management has advised that they are looking at various options in this regard in conjunction with the IT Department. This should lead to better outcomes in terms of use of resources and better value for money being achieved.

### 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 Housing Maintenance operations in 2018.

Objectives	Inputs	Activities	Outputs	Outcomes
Carry out repairs and maintenance of the Council Housing Stock of over 2,170 housing units	Budgeted expenditure for 2018 of over €2.18m  Technical and Administrative Support from staff in the Housing Maintenance Department	<ol style="list-style-type: none"> <li>1. Log repair calls from tenants and input same on the house system.</li> <li>2. Notify tenants of refusal/approval of requests</li> <li>3. Initial Assessment of works to be carried out</li> <li>4. Assign work order to appropriate staff/engage contractor</li> <li>5. Inspect works carried out</li> <li>6. Close off Work Order</li> <li>7. Pay Invoices (Contractor)- Charge to job codes</li> </ol>	Repairs/Maintenance carried out on over 1,200 housing units in 2018	Repairs/Maintenance carried out on over 1,200 housing units in 2018



## Description of Programme Logic Model

**Objectives:** The objective of the programme is to carry out repairs/maintenance on the Council's Housing Stock of over 2,170 houses in 2018.

**Inputs:** Expenditure of €2.16m in 2018. Technical and administrative support of the Housing Maintenance staff.

**Activities:** Housing Maintenance Staff must log all new repair requests and then notify tenants of either approval or refusal of requests.

Updates must be provided to tenants when requested.

An initial assessment must be carried out by the Grade 5 or the Executive Engineer, Housing Maintenance including approval or refusal of the repair request.

The Clerk of Works picks up the Work Order of the approved repair from the system. The Clerk of Works will reprioritise, assign or refuse the Work Order. The job will be assigned to staff or a contractor and this may involve a tender process.

Following confirmation of completion of the job, the Work Order will be closed off.

Payment is made to contractor if tender process used. Costs charged to appropriate housing operational code.

**Outputs:** Repairs/maintenance carried out on over 1,200 housing units in 2018.


**Outcomes:** Repairs/maintenance carried out on over 1,200 housing units in 2018. This will improve the living conditions of existing tenants and prolong and maintain the useful life of each housing unit. By carrying out necessary repairs in the short-term at relatively modest cost, this will also reduce costs for the Council over the long-term by tackling issues before they get out of hand.

---

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

---

*The following section tracks Housing Maintenance Operations from inception to conclusion in terms of major project/programme milestones*



### **Annual Budget**

*The Annual Budget including the budget of €2,180,500 for Housing Maintenance is agreed at Council meeting held on 13<sup>th</sup> November 2017.*

### **Annual Expenditure**

*Expenditure of €2,164,494 incurred during 2018 charged to 1,232 housing units*

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

The following section reviews the key documentation relating to appraisal, analysis and evaluation for Housing Maintenance operations during 2018.

<b>Project/Programme Key Documents</b>	
<b>Title</b>	<b>Details</b>
<i>Housing Maintenance Policy 2010 including tenant's handbook</i>	<p>The adopted policy is comprised of the following headings:</p> <ul style="list-style-type: none"> <li>(i) Legislation</li> <li>(ii) Responsibility for repair and maintenance</li> <li>(iii) Malicious damage</li> <li>(iv) Disabled and elderly tenants</li> <li>(v) Major repairs by tenants</li> <li>(vi) Reletting of houses</li> <li>(vii) Classification of repairs</li> <li>(viii) Customer Service</li> <li>(ix) Monitoring &amp; Evaluation</li> <li>(x) Health &amp; Safety</li> </ul>
<i>Housing Maintenance Process Handbook</i>	<p>The contents of the handbook is comprised of the following:</p> <ul style="list-style-type: none"> <li>- Housing Maintenance Process map</li> <li>- Procedure for a new repair request</li> <li>- Grouping/Splitting Calls</li> <li>- Repeat Requests</li> <li>- Progress Updates</li> <li>- Decision notification</li> <li>- Initial Assessment</li> <li>- Clerk of Works Review Work Order</li> <li>- Clerk of Works Reprioritise, Assign, refuse requests</li> </ul> <p>The handbook provides a very detailed and comprehensive process for dealing with repairs requests from initial receipt of a new request to when work has been completed or otherwise.</p>
<i>Agresso Financial Management Reports</i>	<i>Details of budget and expenditure on Housing Maintenance codes for 2018</i>
<i>Chief Executive's Order no. 06/2016</i>	<i>Sets out the procedures for the purchase of goods, materials, and services, and the delegated authorised levels for purchasing, approving and payment of grants and invoices</i>
<i>Housing Maintenance Low Value Purchase Cards Records</i>	<i>Spreadsheets providing a breakdown of LVP Cards transactions and activity during 2018</i>
<i>Internal Audit review of Housing Maintenance – Jan 2014</i>	<i>Internal Audit Report on Housing Maintenance including findings, recommendations and management comment – Jan 2014</i>
<i>NOAC Report No. 12 – “A review of the Management and maintenance of Local Authority Housing – May 2017</i>	<i>NOAC report detailing the findings, recommendations and general conclusions with regards to best practice in the management and maintenance of Local Authority Housing.</i>

**Key Document 1:** The Council adopted a Housing Maintenance policy in September 2010. The adopted policy is comprised of the following headings:

- (1) Legislation
- (2) Responsibility for repair and maintenance
- (3) Malicious damage
- (4) Disabled and elderly tenants
- (5) Major repairs by tenants
- (6) Reletting of houses
- (7) Classification of repairs
- (8) Customer Service
- (9) Monitoring & Evaluation
- (10) Health & Safety

A tenant's handbook is included in Appendix A of the policy. This details clear examples of repairs that are the responsibility of tenants and those that are the responsibility of the Council. It also provides tenants with other general information regarding their tenancy agreements.

The Housing Maintenance Policy classifies repairs as follows:

- Emergency
- Essential
- Routine
- Planned

Emergency repairs are classified as being repairs necessary where there is a possible danger to human life, e.g.

- Major leak
- Dangerous electrical fault
- Major storm damage
- Failure of entire electrical system
- Lack of water supply to dwelling

**Key Document 2:** Memo on Housing Maintenance Processes was drafted and issued by the Executive Engineer (Maintenance) on 5<sup>th</sup> June 2018. This is a comprehensive document which examined the existing workflow and business processes in relation to Housing Maintenance in great detail.

In the Executive Summary, this document detailed and set out the main problems and issues in relation to the business process for managing repairs and advised that the old system was not operating satisfactorily. It advised that over the Winter of 2017-2018 the number of open jobs exceeded 1,300 and delays of several weeks were commonplace for even minor routine repairs. The main issues outlined were;

1. The management of jobs within the workflow had become untenable, jobs were taking several weeks to complete, and it was difficult to establish the status of any given job.
2. There was very little information available on individual jobs, or the overall workflow, for tenants, management, or elected representatives.
3. Jobs were being assigned to trades/contractors who did not have available capacity.
4. Jobs were being accepted which were the responsibility of the tenants.

The central issue identified was the inadequate system for managing, scheduling and tracking works, due to the volume of works on hand at any time.

Following the analysis carried out, revised business processes and a Process Handbook were developed. The new processes were implemented on a trial basis since 30<sup>th</sup> April 2018 and the number of jobs open at the 5<sup>th</sup> June had reduced to 787, down from over 1,300 over the previous Winter. The average time to close jobs was also down from 13 days to 6 days. It was now possible to establish on a weekly basis, what jobs were overdue, and to follow up with the relevant contractor.

## Housing Maintenance Process Handbook

A new Housing Maintenance Process Handbook was developed as part of the overall review as outlined above. The contents of the handbook is comprised of the following:

- Housing Maintenance Process map
- Procedure for a new repair request
- Grouping/Splitting Calls
- Repeat Requests
- Progress Updates
- Decision notification
- Initial Assessment
- Clerk of Works Review Work Order
- Clerk of Works Reprioritise, Assign, refuse requests

The handbook provides a very detailed and comprehensive process for dealing with repair requests from initial receipt of a new request to when work has been completed or otherwise.

**Key Document 3:** A detailed examination of Agresso Financial Management budget and expenditure Reports for Housing Maintenance was carried out in respect of 2018. The breakdown facilitated an analysis of expenditure by jobcode, suppliers and by individual housing unit.

**Key Document 4:** Chief Executive's Order no. 06/2016 set out the procurement procedures for the purchase of goods, materials, and services, and the delegated authorised levels for purchasing, approving and payment of grants and invoices during 2018.

This facilitated a full assessment of the procurement procedures and processes in respect of housing maintenance, and a number of test samples were examined to ensure compliance with the Chief Executive's Order.

**Key Document 5:** Spreadsheets providing a breakdown of LVP Cards transactions and activity during 2018 were examined to ascertain if the cards were use properly and for their correct purpose. It was found that no breach occurred of the transaction limit of €400 or the monthly limit of €4,000 during 2018. Other issues such as some split transactions were found and recommendations are made to deal with this finding.

**Key Document 6:** An Internal Audit Report on Housing Maintenance including findings, recommendations and management comment was issued in January 2014. The report included 10 recommendations for the improvement of Housing Maintenance Processes and Procedures.

**Key Document 7:** NOAC Report No. 12 – "A review of the Management and Maintenance of Local Authority Housing" issued in May 2017 set out findings, recommendations and general conclusions with regards to best practice in the management and maintenance of Local Authority Housing.

This report facilitated a comparison and assessment of the current Housing Maintenance practices and procedures as against those outlined in the report.



---

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

---

The following section details the data audit that was carried out regarding Housing maintenance operations in 2018. 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>
<i>Overall level of expenditure incurred on an annual basis</i>	<i>Measure actual v budgeted expenditure on an annual basis</i>	<i>Available from the Agresso Financial Management System</i>
<i>Current written policy and procedures</i>	<i>Check and monitor that current policy and procedures are being implemented</i>	<i>Available from the Housing Department</i>
<i>Current Chief Executive's Order for procurement</i>	<i>Ensure that procurement is carried out in compliance with current legislation, guidelines and procedures</i>	<i>Available from Corporate Affairs Department</i>
<i>Low Value Purchase Cards Records</i>	<i>Check and examine that current policy, procedures and guidelines in relation to LVP cards are being complied with</i>	<i>Available from the Agresso Support Department</i>

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

The data requirements listed above are available from the Housing Department, the Corporate Affairs Department, and the Agresso Financial Management System.

This information can be used to monitor ongoing expenditure and to ensure that proper procurement is carried out correctly on an ongoing basis.

The following section looks at the key evaluation questions for Housing Maintenance operations 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 Housing Maintenance operations are carried out in substantial compliance with the standards set out in the Public Spending Code.

The stated objective of national housing policy is that every household should have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community. The Housing Maintenance Section is responsible for the management and maintenance of the Council's Housing stock and the Council is responsible for ensuring that houses conform to the minimum standards as set out in the Housing (Standards for Rented Houses) Regulations, 2017.

The Council adopted a Housing Maintenance policy in September 2010, which includes a tenant's handbook. This policy remains valid and is the current policy guiding maintenance issues and the Council's and Tenant's respective responsibilities under the tenancy agreements.

A Housing Maintenance Process Handbook was drafted and developed in 2018 which provides a very detailed and comprehensive process for dealing with repair requests from initial receipt of a new request to when work has been completed or otherwise.

Housing Maintenance staff carry out repairs/maintenance of the housing stock over the course of the year. Engineering staff determine if jobs should be carried out by internal craftspersons or in the case of larger jobs if a tender process is required. Repairs requests are logged onto the Ihouse system and Work Orders are issued. When works are completed the Work Order is closed off. Inspection checks are carried out on jobs costing over €500 and spot-checks are carried out for smaller jobs.

The Ihouse system is used to log and record repair requests, however Housing Maintenance Management has advised that it is not an effective tool for tracking and managing the housing repairs workflow.

Housing Management has advised that there is an issue with regard to obtaining up-to-date statistics and reports from the system as there can be a delay in obtaining confirmation of completion of jobs from contractors and from the Housing Maintenance office. Spreadsheets and an email based system are used at present in conjunction with Ihouse to produce necessary data but this is a labour intensive short-term solution. There is no designated staff resources assigned to updating the system and as a result there are no readily available statistics such as the number of jobs currently outstanding or the number of jobs carried out on a daily, weekly or monthly basis.

Management has also advised that to effectively manage the housing repairs workflow (including identifying jobs that are running overdue, and identifying where contractors/LCC staff are becoming overloaded) it is necessary to provide additional staff resources to ensure that progress reports on all jobs are kept up to date on a daily basis.

Housing Management has advised that they are currently investigating software solutions to deal with these issues in conjunction with the IT Department.

While a new workflow software system is required there will be costs associated with the purchase of the system, such as installation and configuration costs, training costs and annual subscription costs. However, the benefits in terms of time savings for staff and up to date real time management information would suggest that the implementation of a software solution is essential to the efficient operation of the Housing Maintenance Department.

The budget for Housing Maintenance operations is included in the overall Annual Budget and is part of the Council's overall budgetary process. The budget for Housing Maintenance operations was €2,180,500 in 2018, with actual expenditure of €2,164,494 incurred. The budget was subject to review over the year and under-expenditure of €16,006 was recorded. Expenditure was charged to 1,232 housing units during 2018 out of 2,170 housing units at the start of the year. The budget for 2019 is €2,216,000. The increased budget and expenditure in the past few years is a reflection of an aging and growing housing stock, and the commitment of the Council to protect its housing assets at a time of ever increasing housing demand.

From an analysis and examination of Housing Maintenance operations in 2018, 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, data and systems held in the Housing Department, the Corporate Affairs Department, and the Agresso Financial Management System to monitor housing maintenance procedures and costs on an ongoing basis.

This information can be used to monitor ongoing expenditure for jobs completed, payment of external contracts and to ensure proper and appropriate use of Low Value Purchase (LVP) Cards.

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

**Audit Opinion – Substantial Assurance** (see Appendix 1 for a definition of opinion)

The Substantial Assurance grading outlined above is based on the overall control environment in respect of Housing Maintenance operations. The Internal Control framework Internal control framework meets minimum acceptable standards overall but needs to be improved because some risks are not adequately mitigated.

Overall, it appears that the controls in place to manage risks involved in housing maintenance operations are satisfactory apart from some issues outlined above. Most of the recommendations made in the Housing Maintenance Internal Audit Report -January 2014, and most of the best practice initiatives outlined in the NOAC Report "A Review of the Management and Maintenance of Local Authority Housing"- May 2017 have been implemented.

Housing Management needs to ensure that the current level of oversight, monitoring and checking of both financial and human resources, in Housing Maintenance operations is continued and improved where necessary. It is essential that a new software system is introduced and implemented to manage the workflow and to provide up to date real-time information for management. Housing Maintenance Management has advised that they are looking at various options in this regard in conjunction with the IT Department. This should lead to better outcomes in terms of use of resources and better value for money being achieved.

The following section presents a summary of the findings of this In-Depth Check on Housing Maintenance Operations in 2018.

### **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 Housing Maintenance Operations in 2018.

The stated objective of national housing policy is that every household should have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community. The Housing Maintenance Section is responsible for the management and maintenance of the Council's Housing stock and the Council is responsible for ensuring that houses conform to the minimum standards as set out in the Housing (Standards for Rented Houses) Regulations, 2017.

The Council adopted a Housing Maintenance policy in September 2010, which includes a tenant's handbook. This policy remains valid and is the current policy guiding maintenance issues and the Council's and Tenant's respective responsibilities under the tenancy agreements.

A Housing Maintenance Process Handbook was drafted and developed in 2018 which provides a very detailed and comprehensive process for dealing with repair requests from initial receipt of a new request to when work has been completed or otherwise.

Housing Maintenance staff carry out repairs/maintenance of the housing stock over the course of the year. Engineering staff determine if jobs should be carried out by internal craftspersons, or in the case of larger jobs if a tender process is required. Repairs requests are logged onto the lhouse system and Work Orders are issued. When works are completed the Work Order is closed off. Inspection checks are carried out on jobs costing over €500 and spot-checks are carried out for smaller jobs.

The budget for Housing Maintenance operations is included in the overall Annual Budget and is part of the Council's overall budgetary process. The budget for Housing Maintenance operations was €2,180,500 in 2018, with actual expenditure of €2,164,464 incurred. The budget was subject to review during the year and under-expenditure of €16,006 was recorded. Expenditure was charged to 1,232 housing units during 2018 out of 2,170 housing units at the start of the year. The budget for 2019 is €2,216,000. The increased budget and expenditure in the past few years is a reflection of an aging and growing housing stock, and the commitment of the Council to protect its housing assets at a time of ever increasing housing demand.

Housing Management needs to ensure that the current level of oversight, monitoring and checking of both financial and human resources, in Housing Maintenance operations is continued and improved where necessary. The main issue highlighted in this report is the need for a new software system to be introduced and implemented to manage the workflow and to provide up to date real-time information for management. Housing Maintenance Management has advised that they are looking at various options in this regard in conjunction with the IT Department. This should lead to better outcomes in terms of use of resources and better value for money being achieved.

From an analysis and examination of Housing Maintenance operations in 2018, it is the opinion of Internal Audit that housing maintenance operations were carried out in substantial compliance with the Public Spending Code.

**Appendix 1 - Definitions of Overall Audit Opinion on System Adequacy and Control**

<b>Level</b>	<b>System Adequacy &amp; Controls</b>
<b>Full Assurance (Effective)</b>	<i>Internal controls meet acceptable standards overall and provides reasonable, but not absolute assurance, that the activity covered is subject to adequate risk management and control</i>
<b>Substantial Assurance (Some improvement Needed)</b>	<i>Internal control framework meets minimum acceptable standards overall but needs to be improved because some risks are not adequately mitigated</i>
<b>Limited Assurance (Major Improvement Needed)</b>	<i>Internal control framework does not meet minimum acceptable standards overall as some key control activities require significant improvement to ensure that all risks are adequately mitigated</i>
<b>No Assurance (Unsatisfactory)</b>	<i>The internal control framework does not meet minimum acceptable standards overall. Systematic and/or material control weaknesses were identified</i>