Quality Assurance Report for 2015
South Dublin County Council

Submitted to the Department of Public Expenditure and Reform in Compliance with the Public Spending Code

Certification

This Annual Quality Assurance Report reflects South Dublin 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.

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Acting Chief Executive
South Dublin County Council

31st May 2016

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1. Introduction

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

The Quality Assurance procedure aims to gauge the extent to which the Council is meeting the obligations set out in the Public Spending Code1. The Public Spending Code ensures that the state achieves value for money in the use of all public funds.

The Quality Assurance Process contains five steps:

1. Drawing up Inventories of all projects/programmes at different stages of the Project Life Cycle (appraisal, planning/design, implementation, post implementation). The three sections are expenditure being considered, expenditure being incurred and expenditure that has recently ended and the inventory includes all projects/programmes above €0.5m.

2. Publish summary information on website of all procurements in excess of €10m, whether new, in progress or completed.

3. Checklists to be completed in respect of the different stages. These checklists allows the Council to self-assess its compliance with the code in respect of the checklists which are provided through the PSC document.

4. Carry out a more in-depth check on a small number of selected projects/programmes. A number of projects or programmes (at least 5% of total spending) are selected to be reviewed more intensively. This includes a review of all projects from ex-post to ex-ante.

5. Complete a short report for the Department of Public Expenditure and Reform which includes the inventory of all projects, the website reference for the publication of procurements above €2m, the completed checklists, the Council's judgement on the adequacy of processes given the findings from the in-depth checks and the Council's proposals to remedy any discovered inadequacies.

This report fulfils the fifth requirement of the QA Process for South Dublin County Council for 2015.

2. Expenditure Analysis

2.1 Inventory of Projects/Programmes

This section details the inventory drawn up by South Dublin County Council in accordance with the guidance on the Quality Assurance process. The inventory lists all of the Council's projects and programmes at various stages of the project life cycle which amount to more than €0.5m. This inventory is divided between current, capital and grant scheme projects and between three stages:

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

The complete inventory for 2015 includes details of 94 relevant programmes/projects for South Dublin County Council with expenditure totalling over €335 million and is contained in Appendix 1. The list contains relevant services from the Council's 2015 Annual Financial Statement (Unaudited) in respect of current (revenue) expenditure and relevant capital jobs extracted from the Council's Agresso Financial Management System for capital expenditure.

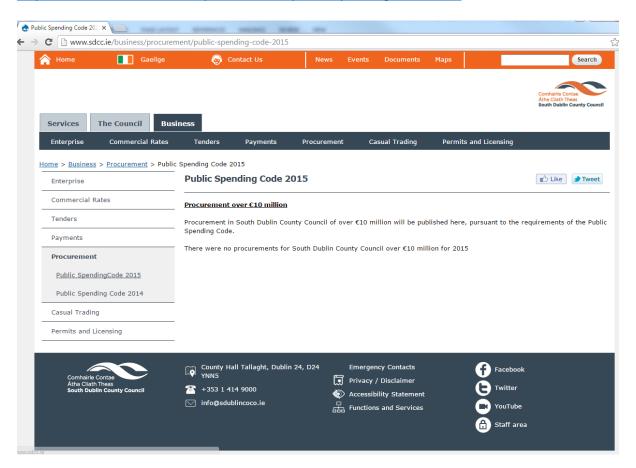The 2015 inventory is summarised in the following table:

Summary of Inventory 2015	Expenditure being considered			Expenditure being incurred			Expenditure recently ended			Totals €m
	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
Housing & Building	5.5	19.3	0.0	63.0	11.3	0.0	0.0	0.0	0.0	99.2
Road Transportation and Safety	1.1	2.0	7.6	27.0	19.1	3.8	0.0	0.0	0.0	60.6
Water Services	0.6	9.6	0.0	11.4	0.0	0.0	0.0	0.0	0.0	13.0
Development Management	3.1	0.0	0.0	15.9	0.0	25.4	0.0	0.0	0.0	44.5
Environmental Services	0.0	0.0	0.0	40.4	0.0	0.0	0.0	0.0	0.0	40.4
Recreation and Amenity	1.3	0.6	3.7	37.6	0.0	1.8	0.0	0.0	0.0	45.0
Agriculture, Education, Health & Welfare	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	2.0
Miscellaneous Services	0.0	0.0	0.0	22.0	0.0	0.0	0.0	0.0	0.0	22.0
Total Value €m	11.6	31.5	11.3	219.3	30.4	31.0	0.0	0.0	0.0	335.2

No. Projects / Programmes	9	8	3	49	17	8	0	0	0	94

2.2 Published Summary of Procurements

As part of the Quality Assurance process South Dublin County Council is required to publish summary information on our website of all procurements in excess of €10m. There was no such procurements in 2015 and this information is communicated on our website.

Shown below is the link to this publication page and an illustration of its location.

http://www.sdcc.ie/business/procurement/public-spending-code-2015

Source: www.sdcc.ie

3. Assessment of Compliance

3.1 Checklist Completion: Approach Taken
The third step in the Quality Assurance process involves completing a set of self-assessment checklists covering expenditure listed in the inventory contained in Appendix 1. The high level checks in Step 3 of the QA process are based on self-assessment by the Council and its departments, in respect of guidelines set out in the Public Spending Code. There are seven checklists in total:

Checklist 1: General Obligations Not Specific to Individual Projects/Programmes
Checklist 2: Capital Expenditure Being Considered – Appraisal and Approval
Checklist 3: Current Expenditure Being Considered - Appraisal and Approval
Checklist 4: Capital Expenditure Being Incurred
Checklist 5: Current Expenditure Being Incurred
Checklist 6: Capital Expenditure Completed
Checklist 7: Current Expenditure Completed

A full set of checklists 1-7 was completed by South Dublin County Council and the completed checklists are included in Appendix 2 of this report. In addition to the self-assessed scoring, the vast majority of answers are accompanied by explanatory comments. Each applicable question in the checklist is judged by a 3 point scale: as follows:

 (a)   The scoring mechanism for the above tables is set out below:
   I.   Scope for significant improvements = a score of 1
   II.   Compliant but with some improvement necessary = a score of 2
   III.   Broadly compliant = a score of 3
 (b)   For some questions, the scoring mechanism is not always strictly relevant. In these cases, it is appropriate to mark as N/A and provide the required information in the commentary box as appropriate.

3. 2 Main Issues Arising from Checklist Assessment
The completed check lists contained in Appendix 2 show the result of a self-assessment exercise completed by various Sections, Directorates and Departments of the Council measuring compliance with the Public Spending Code. Overall, these checklists present a good level of compliance with the Code for 2015.

Checklist 1 provides an overview of the awareness and compliance with the Public Spending Code and its requirements across the Council but highlights the need for relevant training to be introduced in the organisation.

The additional checklists relating to specific types of expenditure highlight some areas to be examined including appraisal and performance measurement/reporting.

3.3 In-Depth Checks
The following section details the in-depth checks which were carried out by South Dublin County Council's Internal Audit Unit as part of the Public Spending Code quality assurance process. The checks analysed represent 10% of the Council's overall inventory.

The projects subject to in-depth checks are listed in the following table and individual reports are set out in Appendix 3:

Summary of Projects Subject to In-Depth Review	
Expenditure Being Considered 2015	
Housing Construction at Letts Field, Clondalkin	€9.53m
Rental Accommodation Scheme (RAS)	€4.658m
Expenditure Being Incurred 2015	
Grange Castle Access Road South	€2.75m
Acquisition of land at Peamount	€9.946m
N4 to city centre cycle track	€4.5m
Suncroft Infill Housing Scheme	€2.346m
Total Value of In-depth Checks	**€33.73m**
Total Value of Inventory	€335.2m
% of Inventory Value Analysed	**10%**

Purpose, Objective & Scope

The purpose of the in-depth review was to provide an independent opinion on the quality of assurance in relation to compliance with the code. The objective was to review each project to assess if structures and processes in place are operating at a high standard. The scope of the reviews was aligned with the criteria set out in the code.

Project Selection Criteria

In order to assess the level of compliance across the organisation, the criteria was set to select projects across departments, across cost categories €0.5m to €5m and €5m to €20m. There were no projects in excess of €20m. In addition, projects selected provided examples from two of the public spending code stages, 1) expenditure being considered, 2) expenditure being incurred. There were no complete projects in 2015.

This criteria increased the number of projects for auditing thereby providing greater coverage for forming an opinion of the level of compliance in the organisation.

Assurance

It is Internal Audit's opinion that there is, overall **satisfactory assurance** (see Appendix 4) that there is compliance in the organisation with the public spending code. The assurance rating for the combined audits was informed by the individual ratings for each of six projects audited which are summarised below:

Project	Assurance Rating	Appendix
Housing Construction at Lett's Field, Clondalkin	Substantial	3.1
Rental Accommodation Scheme (RAS)	Substantial	3.2
Acquisition of land at Peamount	Substantial	3.3
Suncroft Infill Housing Scheme	Substantial	3.4
N4 to City Centre cycle track	Satisfactory	3.5
Grange Castle Access Road South	Satisfactory	3.6

4. Next Steps: Addressing Quality Assurance Issues

The process of compiling the Inventory (Appendix 1) and Checklists (Appendix 2) for 2015 has built on the inaugural Quality Assurance Report of 2014 by further establishing the process within and across all Departments of the Council. At this stage, it is important to strengthen the process by delivering appropriate levels of training to relevant staff.

In addition, specific issues relating to individual areas of expenditure and particular projects arising from both checklists and in-depth checks should be examined and steps taken to make improvements where necessary to ensure full compliance with the Public Spending Code Quality Assurance requirements.

5. Conclusion

The inventory outlined in this report clearly lists the current and capital expenditure that is being considered and being incurred. There were no applicable projects or areas of expenditure that were completed in 2015.

The Council has published a notice on our website confirming that there were no procurements in excess of €10 million on its website.

The checklists completed by Council show a good level of compliance with the Public Spending Code.

The in-depth checks carried out on a selection of programmes did not highlight any major issues which reflect negatively on the Council's compliance with the code and, overall, there is satisfactory assurance on the level of compliance in the organisation.

Areas for improvement for future years' requirements will be identified with a view to ensuring continued focus compliance with the Public Spending Code across the Council on an ongoing basis.

Appendix 1: South Dublin County Council 2015 Inventory of Projects and Programmes over €0.5m

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

SOUTH DUBLIN COUNTY COUNCIL	Expenditure being considered					Expenditure being incurred > €0.5m			Expenditure recently ended > €0.5m		
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Projects €0.5 - €5m	Capital Projects €5 - €20m	Capital Projects €20m plus	Current Exp	Capital Grant Schemes	Capital Projects	Current Exp	Capital Grant Schemes	Capital Projects
Housing & Building											
Maintenance & Improvement of LA Housing Units						13.842					
Housing Rent and Tenant Purchase Administration						1.942					
Housing Community Development Support						5.007					
Administration of Homeless Service	0.865					3.332					
Support to Housing Capital & Affordable Prog						8.369					
RAS Programme	4.658					25.665					
Housing Loans						2.963					
Housing Grants						1.847					
Suncroft Infill Scheme							2.346				
Redevelopment of Belgard Road							0.746				
St Marks Green Clondalkin							2.383				
Dromcarra, Tallaght (Social Build Programme)		3.824									
Letts Field, Clondalkin (Social Build Programme)		9.530									
Killinarden, Tallaght (Social Housing Build Programme)		5.988									
Energy Efficiency Programme 2015							1.513				
Electrical Repairs And Rewiring 2015							0.706				
Presale And Prelet Repairs 2015							2.284				
Social Housing Acquisition Programme 2015							1.358				
Road Transportation and Safety											
NS Road - Maintenance and Improvement						0.766					
Regional Road - Maintenance and Improvement						2.151					
Local Road - Maintenance and Improvement	1.056					12.039					
Public Lighting						5.009					
Traffic Management Improvement						1.840					
Road Safety Engineering Improvement						1.596					
Road Safety Promotion & Education						1.482					
Maintenance & Management of Car Parking						0.673					
Support to Roads Capital Prog						1.488					
Knocklyon Road Realignment			1.500								

Road Transportation and Safety (cont.)											
Rathcoole Distributor Road				6.093							
Wellington Road Cycle & Pedestrian Facilities		2.000									
Structural Repairs(public lighting column replace)								1.200			
Tallaght to Templeogue Cycle Route							3.870				
Willsbrook Road Cycle Track							2.200				
N81 cycling,walking & bus facilities (N82 to Fortu							1.000				
Walkinstown Roundabout Study							0.500				
Monastery Road Walking Route							1.000				
N4 to City Cycle Scheme (Celbridge Rd Jct to Palm)							4.500				
Tallaght to Liffey Valley Cycle Scheme							1.000				
Village Enhancements								2.600			
River Dodder Pedestrian and Cycle Route (Dodder Regional Cycle Route)							2.940				
St Enda's / Grange Road to Loreto Park / Nutgrove							1.249				
Tallaght to Ballyboden walking and cycling route							0.815				
Water Services											
Water Supply							3.962				
Waste Water Treatment							3.427				
Collection of Water & Waste Water Charges							0.711				
Support to Water Capital Programme							0.527				
Local Authority Water and Sanitary Services	0.613						2.783				
Ballycullen Flood Alleviation Scheme		1.600									
River Poddle Flood Alleviation Scheme		6.000									
Whitechurch Stream Flood Alleviation Scheme		2.000									
Development Management											
Forward Planning							2.910				
Development Management	0.543						2.822				
Enforcement							1.029				
Industrial and Commercial Facilities							1.127				
Tourism Development and Promotion	0.755										
Community and Enterprise Function	1.839						2.838				
Building Control							0.796				
Economic Development and Promotion							2.927				
Property Management							1.458				
Acquisition of 89.79 Acres land at Brownstown, New								4.550			
Acquisition of Lands at Peamount Hospital, Newcastle								9.946			
Grange Castle Central Carriageway								3.200			
Grange Castle Business Park South Access Rd Scheme								2.750			
Village Initiatives Showcase Projects								5.000			

Environmental Services											
Landfill Operation & Aftercare						6.548					
Recovery and Recycling Facilities Operations						2.134					
Waste to Energy Facilities Operations						1.055					
Provision of Waste to Collection Services						1.982					
Litter Management						1.534					
Street Cleaning						6.427					
Waste Regulations, Monitoring and Enforcement						1.184					
Maintenance of Burial Grounds						1.100					
Safety of Structures and Places						0.626					
Operation of Fire Service						17.781					
Recreation and Amenity											
Leisure Facilities Operations						1.078					
Operation of Library and Archival Service						10.480					
Outdoor Leisure Areas Operations	1.277					14.321					
Community Sport and Recreational Development						9.250					
Operation of Arts Programme						2.473					
Pavillions Programme		0.600									
Playground Programme							1.780				
North Clondalkin Library			3.700								
Agriculture, Education, Health and Welfare											
Veterinary Service						0.987					
Educational Support Services						1.019					
Miscellaneous Services											
Administration of Rates						20.844					
Local Representation & Civic Leadership						1.189					
TOTALS €m	11.606	31.542	5.200	6.093	0.000	219.340	30.410	31.026	0.000	0.000	0.000
OVERALL TOTAL €m	**€335.217**										

Appendix 2: South Dublin County Council 2015 Public Spending Code Checklists

Checklist 1: – to be completed by all Local Authorities

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 1 - 3	Discussion/Action Required
Does the Local Authority ensure, on an ongoing basis that appropriate people within the authority and in its agencies are aware of the requirements of the Public Spending Code?	3	Yes
Has there been participation by relevant staff in external training on the Public Spending Code? (i.e. DPER)	1	A number of key personnel recently attended DPER training but further training required to reach all involved.
Has internal training on the Public Spending Code been provided to relevant staff?	1	Formal training required across Departments.
Has the Public Spending Code been adapted for the type of project/programme that your authority is responsible for? i.e. have adapted sectoral guidelines been developed?	3	Specific Local Govt. sector guidance developed by CCMA Finance Committee.
Has the Local Authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	n/a	
Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Local Authority and to your agencies?	2	Reports circulated and implementations being followed up where necessary.
Have recommendations from previous Quality Assurance exercises been acted upon?	2	
Has an annual Public Spending Code Quality Assurance Report been submitted to NOAC (National Oversight and Audit Commission)?	3	Submitted on 31/05/2016.
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	3	In excess of required sample examined.
Has the Chief Executive signed off on the information to be published to the website?	3	Yes.

Checklist 2: – to be completed in respect of **capital projects or capital programme/grant scheme** that is or was **under consideration** in the past year.

Capital Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Was a Preliminary Appraisal undertaken for all projects > €5m	3	Yes
Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	3	Yes, in conjunction with relevant govt. agency/body.
Was a CBA/CEA completed for all projects exceeding €20m?	n/a	
Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes, in conjunction with relevant govt. agency/body.
Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the Planning and Design Phase (e.g. procurement)?	3	Yes, as required
If a CBA/CEA was required was it submitted to DPER (CEEU) for their views?	n/a	
Were the NDFA Consulted for projects costing more than €20m?	n/a	
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	Tenders were in line with approvals.
Was approval granted to proceed to tender?	3	Yes
Were Procurement Rules complied with?	3	Yes
Were State Aid rules checked for all supports?	3	Yes
Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	Yes
Were Performance Indicators specified for each project/programme that will allow for the evaluation of its efficiency and effectiveness?	2	Additional PIs to be developed where necessary
Have steps been put in place to gather Performance Indicator data?	2	

Checklist 3: - New Current expenditure or expansion of existing current expenditure under consideration

Current Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Were objectives clearly set?	3	Yes, as part of the annual budget process
Are objectives measurable in quantitative terms?	2	Some areas/objectives may require additional quantitative measures and appraisal methods.
Was an appropriate appraisal method used?	2	
Was a business case incorporating financial and economic appraisal prepared for new current expenditure?	2	
Has an assessment of likely demand for the new scheme/ scheme extension been estimated based on empirical evidence?	2	
Was the required approval granted?	3	Yes
Has a sunset clause been set?	n/a	
Has a date been set for the pilot and its evaluation?	n/a	
Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	n/a	
If outsourcing was involved were Procurement Rules complied with?	3	Yes.
Were Performance Indicators specified for each new current expenditure proposal or expansion of existing current expenditure which will allow for the evaluation of its efficiency and effectiveness?	2	The need for additional PIs is to be examined for some expenditure areas.
Have steps been put in place to gather Performance Indicator data?	2	Needs to be addressed for some expenditure areas.

Checklist 4: - Complete if your authority had capital projects/programmes that were incurring expenditure during the year under review.

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	3	Yes
Did management boards/steering committees meet regularly as agreed?	3	Yes, where appropriate
Were Programme Co-ordinators appointed to co-ordinate implementation?	3	Either programme co-ordinators or co-ordinating team in place as appropriate.
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	3	Yes, where appropriate
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	2	To be addressed in some areas of expenditure.
Did the project keep within its financial budget and its time schedule?	2	Budget overruns in some areas due to various factors
Did budgets have to be adjusted?	2	In some cases
Were decisions on changes to budgets / time schedules made promptly?	2	In some cases.
Did circumstances ever warrant questioning the viability of the project and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence)	n/a	
If circumstances did warrant questioning the viability of a project, was the project subjected to adequate examination?	n/a	
If costs increased, was approval received from the Sanctioning Authority?	3	Yes, as required of the funding body.
Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	n/a	
For significant projects were quarterly reports on progress submitted to the MAC and to the relevant Department?	2	Reporting to be examined in some areas.

Checklist 5: - For Current Expenditure

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
Are there clear objectives for all areas of current expenditure?	3	Yes, as part of the annual budget process
Are outputs well defined?	3	KPI's in place for Local Government and local monthly KPI's in Management Report to Council.
Are outputs quantified on a regular basis?	3	Annual National KPI's & Monthly to Council.
Is there a method for monitoring efficiency on an ongoing basis?	2	A range of monitoring and reporting methods in place to ensure performance, outputs and outcomes are monitored but additional areas will be examined where appropriate.
Are outcomes well defined?	2	
Are outcomes quantified on a regular basis?	2	
Are unit costings compiled for performance monitoring?	2	
Is there a method for monitoring effectiveness on an ongoing basis?	2	
Is there an annual process in place to plan for new VFMs, FPAs and evaluations?	2	Lack of specific formal VFMs/PPAs that are applicable to local authority revenue budget expenditure but various evaluation processes are in place.
How many formal VFMs/FPAs or other evaluations have been completed in the year under review?	2a	
Have all VFMs/FPAs been published in a timely manner?	2	
Is there a process to follow up on the recommendations of previous VFMs/FPAs and other evaluations?	2	
How have the recommendations of VFMs, FPAs and other evaluations informed resource allocation decisions?	2	

Checklist 6: - to be completed if capital projects were completed during the year or if capital programmes/grant schemes matured or were discontinued.

Capital Expenditure Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
How many post project reviews were completed in the year under review?	n/a	No applicable programmes for 2015.
Was a post project review completed for all projects/ programmes exceeding €20m?	n/a	No applicable programmes for 2015.
If sufficient time has not elapsed to allow a proper assessment of benefits, has a post project review been scheduled for a future date?	n/a	No applicable programmes for 2015.
Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?	n/a	No applicable programmes for 2015.
Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?	n/a	No applicable programmes for 2015.
Were project reviews carried out by staffing resources independent of project implementation?	n/a	No applicable programmes for 2015.

Checklist 7: - to be completed if current expenditure programmes reached the end of their planned timeframe during the year or were discontinued.

Current Expenditure that (i) reached the end of its planned timeframe or (ii) Was discontinued	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	n/a	No applicable programmes for 2015.
Did those reviews reach conclusions on whether the programmes were effective?	n/a	No applicable programmes for 2015.
Did those reviews reach conclusions on whether the programmes were efficient?	n/a	No applicable programmes for 2015.
Have the conclusions reached been taken into account in related areas of expenditure?	n/a	No applicable programmes for 2015.
Were any programmes discontinued following a review of a current expenditure programme?	n/a	No applicable programmes for 2015.
Was the review commenced and completed within a period of 6 months?	n/a	No applicable programmes for 2015.

Notes:

(c) The scoring mechanism for the above tables is set out below:
IV. Scope for significant improvements = a score of 1
V. Compliant but with some improvement necessary = a score of 2
VI. Broadly compliant = a score of 3

(d) 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.

(e) The focus should be on providing descriptive and contextual information to frame the compliance ratings and to address the issues raised for each question. It is also important to provide summary details of key analytical outputs for those questions which address compliance with appraisal/evaluation requirements i.e. the annual number of CBAs, VFMs/FPAs and post project reviews.

Appendix 3: Report Arising from In-Depth Checks

EXPENDITURE BEING CONSIDERED 2015

1 Housing Construction at Lett's Field

1.1   INTRODUCTION

In the context of the Social Housing Strategy 2020, South Dublin County Council carried out a detailed study of infill sites in its ownership in late 2014. The sites were reviewed under various criteria including, size, accessibility, utility constraints, flooding history, impact on adjoining community and overall suitability. Lett's Field in Clondalkin was one of the sites reviewed. Following the preparation of sketch designs to estimate yield and a series of informal meetings with the Area Committees, the Stage 1 project submission (approval for design expenditure) was submitted to the DECLG in respect of sites identified as suitable for housing, including Lett's Field.

The Stage 3 project submission (approve detailed design; review pre tender cost check) was made to the DECLG in November 2015 and the outcome is awaited.

The project is included under the category "expenditure being considered" in 2015 for the purposes of the Public Spending Code.

1.2   AUDIT OPINION

The controls in place in relation the governance of the Housing Construction at Lett's Field, Clondalkin provides **substantial assurance** (see Appendix 4) that there is compliance with the code up to this stage of the delivery of the project. Controls upon which reliance can be placed include:

- The objective of the project is clearly defined; to provide social housing to meet established needs.
- Risks were identified and assessed at each stage of the project up to this stage of delivery.
- There is a clearly defined project management structure in place. The roll out of the project is being managed by Architectural Services. Upon receipt of approval from the DECLG to proceed to tender, and as set out in the project management structure, consultant design teams will be procured to develop the tenders and manage construction on site.
- A Part VIII public consultation process was undertaken commencing in May 2015. The proposed development was reduced in scale as a result of an extensive consultation process. The revised proposal was agreed by the Elected Members of South Dublin County Council at their meeting held on 21st September 2015.
- Stage 1, 2 and 3 submissions, including cost plans, have been made to the Department of the Environment, Community & Local Government with a view to securing funding for the project. Stage 1 approval has been received. The outcome of the latest submission is awaited.

1.3   CONCLUSION

There were no matters arising from this stage of the review and consequently internal audit is satisfied at the level of governance in place at this stage of the project.

2 Rental Accommodation Scheme (RAS)

2.1   INTRODUCTION

The Rental Accommodation Scheme (RAS) is a national scheme to cater for the accommodation needs of persons in receipt of rent supplement, and who have a long term housing need. The Scheme is intended to provide an additional source of good quality rented accommodation for eligible persons to enhance the response of Local Authorities to meeting long term housing need. The scheme is funded by the Department of the Environment, Community & Local Government (DECLG).

Within the service A07 RAS Programme the budget increased in 2016 by €4.6m from 2015 giving an estimated total for the programme (A07) for 2016 in the sum of €28.6m. €2m of the €4.6m increase was planned budget for the increase in the number of privately rented dwellings under the RAS scheme (A0701).

 An in depth review of the planned increase in expenditure process for 2016 in respect of the €2m was carried out under the PSC category of 'expenditure being considered'. Due to level of revenue expenditure for the scheme the review also included the management and operation of RAS.

2.2   AUDIT OPINION

2.2.1   Budgeted Increase 2016 Expenditure (Expenditure being Considered)

The expected additional number of privately rented dwellings required were costed and included in the statutory budget process which was adopted by the members. **Substantial assurance** (see Appendix 4) can be placed on the process for the planned increase in expenditure.

2.2.2   Management & Operation of RAS Scheme

The management and operation of RAS was reviewed under the following areas:

- Procedures
- Management systems
- Contracts
- Reconciliations
- Landlords PRTB registrations
- Market values
- Data Protection Policies

The extent of the scheme operated by SDCC and the impact of the planned extension in 2016 was taken into account while reviewing the management and operation of it. Issues raised with management were addressed immediately with timeframes where actions were required. Accordingly a satisfactory assurance rating is assigned to the management and operation of the scheme.

2.3   Conclusion

As this in depth review is included under the category 'expenditure being considered' a substantial assurance rating is being assigned for the purposes of reporting under the
Public spending code.

EXPENDITURE BEING INCURRED 2015

3 Acquisition of land at Peamount

3.1 INTRODUCTION

In order to ensure the availability of a land bank for the Council's future requirements, c226.33 acres of land adjoining Peamount Hospital was acquired. The potential strategic development value of the property was a factor in the acquisition of the lands given the ongoing development of Grange Castle Business Park to the East and the Strategic Development Zones North and North East of the location. The cost of the acquisition will be funded from disposal receipts from sale of council lands.

The acquisition of land is an executive function of the local authority and the acquisition was approved by Chief Executive's Order on foot of recommendations from the Council's Chief Valuer in relation to the terms and conditions of the acquisition.

Pending development of the lands, the lands were subsequently proffered by way of invitation to tender for the purpose of tillage/grazing on a short term lease of 11 months.

For the purposes of the Public Spending Code, this project is included under the category "expenditure being incurred" in 2015.

3.2 AUDIT OPINION

The controls in place over the acquisition of the lands at Peamount provides **substantial assurance** (see Appendix 4) that there is compliance with the code.

Controls upon which reliance can be placed include:

- The objective was clearly defined to provide for future SDCC land requirements adjacent to Grange Castle Business Park.
- Agreement for acquisition of the lands was on foot of recommendation from the Council's Chief Valuer in respect of the terms and conditions of the agreement.
- Acquisition approved by Chief Executive Order
- Title to lands in the process of being transferred to Council
- Lands insured
- Acquisition of lands notified to the Corporate Policy Group (Business Support) at its meeting held on 5th January '16
- Pending developments of lands, the lands are let by way of licence agreement on foot of Valuer's recommendations

3.3 CONCLUSION

There were no matters arising during the audit review and consequently internal audit is satisfied at the level of governance in place.

4 Suncroft Infill Housing Scheme

4.1 INTRODUCTION

In 2013 the Department of the Environment, Community & Local Government (DECLG) sought details of housing projects from Local Authorities that could be advanced under the Infrastucture Stimulus Programme. Suncroft Park and Suncroft Drive infill scheme was subsequently approved for funding. The sum of €2.12m is included in the Three Year Capital Programme 2015-2017 for the delivery of this project.

The project is included under the category 'expenditure being incurred' in 2015 for the purposes of reporting under the Public Spending Code.

4.2   AUDIT OPINION

The controls in place in relation to the governance of the management of the design and construction of the Infill Housing at Suncroft Park & Suncroft Drive provides substantial assurance (see Appendix 4) that there is compliance with the code.

Controls upon which reliance can be placed include:

- The objective of the project is clearly defined; to provide social housing to meet established needs.
- Risks were identified and assessed up to the stage of the project under review.
- There is a clearly defined project management structure in place. The supervision of the project was managed by the Council's Architectural Services. Consultant quantity surveyors and structural engineers were procured to assess the construction tenders and manage construction on site.
- The proposed development was reduced in scale as a result of an extensive local consultation process. A Part VIII public consultation process was then undertaken commencing in July 2013. The proposal was agreed by the Elected Members of South Dublin County Council at their meeting held on 9th September 2013. Submissions, including cost plans, were submitted to the DECLG. Claims were offset against the capital element of the local property tax allocation.
- The engagement of Consultants and Contractors were in compliance with procurement regulations. A comprehensive tender assessment report was prepared by the consultant quantity surveyors.
- To date no additional costs have been identified.

4.3   CONCLUSION

There were no matters arising during the audit review and consequently internal audit is satisfied at the level of governance in place.

5 N4 to City Centre Cycle Track

5.1   INTRODUCTION

The National Transport Authority (NTA) commissioned a Cycle Network Plan in 2013, comprising the Urban Network, Inter-Urban Network and Green Route Network, for each of the seven Local Authority areas comprising the Greater Dublin Area (GDA). This Cycle Network Plan identified a need In Dublin West for new cycling facilities to complete the cycle route network along the N4, specifically Palmerstown Village, Stewart's Hospital, and through Chapelizod Village. The scheme was planned in 2 phases. The design for Phase 1 of this scheme was passed to South Dublin County Council by the NTA in collaboration with the National Roads Authority who had previously designed a cycle scheme for the initial phase of the route.

The scheme is ongoing with Phase 1 complete and Phase 2 at design stage. The in-depth review was carried out from the point of transfer of the scheme from the NTA to South Dublin Council.

5.2   AUDIT OPINION

The controls in place over the governance of the N4 to City Cycle Scheme provides **satisfactory assurance** (see Appendix 4) that there is compliance with the code up to this stage of the delivery of the project. Controls upon which reliance can be placed include:

- The objective of the scheme is clearly defined as providing a high quality cycle commuter link from Leixlip, Lucan and other areas of west Dublin to the City Centre.
- Detailed options reports on the major junctions along the route were prepared.
- A Project Management Structure was established which included a Project coordinator and a Design Team leader. A Resident Engineer and an Employer's representative was provided by the Council's Consulting Engineers to supervise the project.
- Regular updates were provided by way of detailed monthly Progress Reports from the Consulting engineers.
- Tender Briefs and appraisals were prepared for each phase of the scheme.
- A construction programme was put in place.

5.3   MATTERS ARISING

- The final account exceeded the accepted tender. The main reasons for increase in costs are recorded as unforeseen works, ground conditions, night works, additions and design change. The process would benefit from an analysis of the pre tender estimate / tender accepted / final account in order to flag issues for future projects and mitigate where possible against cost overruns.

- Whilst a risk analysis was completed in the various options reports for Phase 2, a comprehensive risk management process across all stages of the project management is not in place. The organisation is in the process of putting in place a web enabled capital project tracker system which will encompass risk assessment through all stages of project delivery. Once in place, this should address the issues raised in this report for current and future projects.

6 Grange Castle Access Road South

6.1   INTRODUCTION

Grange Castle Access Road South was constructed to provide an internal roadway to facilitate access and development of lands in the business park. The costs of the construction were funded from disposal receipts from sale of lands within the business park.

The report on the outcome of the Part VIII public consultation process was submitted to the Elected Members at their meeting held in December 2008. The Members resolved to proceed with the scheme.   The scheme however did not proceed at that time due to the economic circumstances.

The construction of the access road was prioritised following the disposal of lands by the Council to a business client to facilitate the construction and operation of their facility. Consulting Engineers were appointed for the preparation of documents and details of design, tendering and supervision of the works. Contractors were appointed and commenced on site at the start of 2015.

6.2   AUDIT OPINION

The controls in place over the governance of the development of the Grange Castle Access Road South provides **satisfactory assurance** (see Appendix 4) that there is compliance with the code.

Controls upon which reliance can be placed include:

- The objective was clearly defined to provide access to lands sold by SDCC to a business client and to facilitate other businesses as lands are disposed of.
- Risks were considered at design stage.
- A Part 8 public consultation process was undertaken and the proposal approved by the Elected Members at their meeting held in December 2008.
- A contractor was appointed after a tendering process. The restricted procedure was used in this case. Pre-qualification submissions and subsequent tenders were evaluated by the Council's Consulting Engineers.
- There was a clear management structure in place for overseeing the project.
- A detailed construction programme was provided by the Contractor.
- Regular site meetings were held over the course of the project and minutes are available
- Cost reports were submitted to SDCC by the consulting engineers on a regular basis.

6.3 MATTERS ARISING

6.3.1   Consultants

The Council expedited the construction of the access road so that the client could access their site to develop it and become operational as soon as possible. In this regard the consulting Engineers were engaged on the basis that they were, at that time, appointed for adjacent works and their brief was extended to include the preparation of documents and details of design, tendering and supervision of the works for the construction of Grange Castle Access Road South. The consultants were appointed for the adjacent works from the Non National Roads Programme Multiple Framework Contract which was put in place in 2005 for a period of three years. Due to economic circumstances at that time projects were put on hold and as circumstances improved, the expectations of contractors on the panel were honoured and projects were allocated to contractors from that panel. As the framework has expired a number of years and development has recommenced an up to date framework should be put in place.

Payments to date to the Consultants exceeded the estimated fee proposal and exceed the value of the Chief Executive Orders authorising the payments.

The Director of Land use Planning & Transportation reported that *'the original consultants costs are calculated from the framework and did not include RE Staff. Given that the Council did not have suitably experienced staff available to assign to the site, the consultants provided these staff at an additional cost. In addition a sum was agreed with the Consultants for Site Investigation supervision which was not included in the original rates.*

Regarding the Managers Order for Consultants fees, a control mechanism is now in place and being monitored in the Roads Section whereby payments will not be made unless the appropriate Order is in place and referenced by the Certifier'.

6.3.2 Contractor

Payments to date to the Contractor greatly exceed the tender price.

The Director of Economic Development reported that *'a substantial element of the additional costs resulted from works related to the broader requirements of, and services to FDI clients, in the strategic Grange Castle Business Park, owned by SDCC. During construction of the access road it became apparent that upgrade works were required to existing ducting necessary to deliver business services to Business Park clients. As the contractor was involved in duct construction on site it was considered that the most appropriate and best value for money option was to have the works carried out under a change order to the original contract. It should be noted that the Council dispose of the ducts to clients under a formal contract arrangement incorporating a substantial financial consideration. Accordingly, the Council is obliged to hand over the ducts in a fully usable condition and within time constraints.*

6.4   Recommendations

6.4.1 That risk management processes take into account all aspects of the delivery of the project.

6.4.2   That the multiple framework for appointment of Consultants is updated.

6.4.3   That where final costs exceed the accepted tender value that a post project review is carried out to identify the variances and reasons why they were not identified at design stage.

6.4.4   That a Chief Executive Order is retrospectively prepared for the authorisation of additional payments made to Consultant.

6.5   Conclusion

The organisation is in the process of putting in place a web enabled capital project tracker system which will encompass risk assessment through all stages of project delivery. Once in place, this should address the issues raised in this report for current and future projects.

Appendix 4: **Audit Assurance Categories and Criteria**

ASSURANCE CATEGORY	ASSURANCE CRITERIA	
SUBSTANTIAL	Evaluation opinion:	There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved, and/or
	Testing Opinion:	The controls are being consistently applied.
SATISFACTORY	Evaluation opinion:	There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and / or effectiveness of risk management, control and governance.
	Testing Opinion:	There is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
LIMITED	Evaluation opinion:	There is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing Opinion:	The level of non-compliance puts the system objectives at risk.
UNACCEPTABLE	Evaluation opinion:	The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing Opinion:	Significant non-compliance with the basic controls leaves the system open to error or abuse.