



**An Roinn Iompair
Turasóireachta agus Spóirt**

Department of Transport,
Tourism and Sport

Quality Assurance Report for 2013

Department of Transport, Tourism and Sport

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

Certification

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

Signature of Accounting Officer:

A handwritten signature in black ink, appearing to read 'J. Mal', with a long, sweeping flourish extending to the right.

Date: 18 July 2014

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Appendix 1: Inventory of Projects and Programmes Above €0.5m

Appendix 2: Self-Assessment Checklists

Appendix 3: Report Arising from In-Depth Checks of 3 NTA programmes

1. Introduction

The Department of Transport, Tourism and Sport 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 Departments and their associated agencies are 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 €2m, whether new, in progress or completed.**
- 3. Checklists to be completed in respect of the different stages.** These checklists allow the Department and its agencies to self-assess their 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 Department's judgement on the adequacy of processes given the findings from the in-depth checks and the Department's proposals to remedy any discovered inadequacies.

This report fulfils the fifth requirement of the QA Process for the Department of Transport, Tourism and Sport for 2014. It is important to note that 2013 is the first year in which the QA process has applied. Projects and programmes which predate Circular 13/13² were subject to prevailing guidance covering public expenditure, e.g the Capital Appraisal Guidelines 2005.

¹ Public Spending Code, DPER, <http://publicspendingcode.per.gov.ie/>

² Circular 13/13: The Public Spending Code: Expenditure Planning, Appraisal and Evaluation in the Irish Public Services-Standard Rules & Procedures

2. Expenditure Analysis

1.1 Inventory of Projects/Programmes

This section details the inventory drawn up by the Department of Transport, Tourism and Sport in accordance with the guidance on the Quality Assurance process. The inventory lists all of the Department'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

Tables 1, 2 and 3 list a summary of the Department's compiled inventory. Full tables including details of each programme/project are listed in Appendix 1. For the purposes of clarity and accuracy the inventory was compiled with the same heading format as the revised estimates completed by the Department in 2013. Agencies/relevant Departmental bodies were also requested to compile an inventory of their projects and programmes.

Expenditure Being Considered

Table 1 provides a summary of the inventory of expenditures above €0.5m being considered by DTTAS and its related agencies and bodies. As the table identifies, there are a total of 94 projects being considered across the various spending and price categories. The primary area where projects are listed as being considered is road improvements with 31 projects listed between €0.5 and €5 million, 17 projects between €5 and €20 million and 21 projects of over €20 million. The full breakdown and description of these projects is listed in Appendix 1.

Expenditure Being Incurred

Table 2 provides a summary of the inventory of expenditures above €0.5m being incurred by DTTAS and its related bodies. In total there are 121 projects or programmes which are currently incurring expenditure of over €0.5m. There is a relatively even split between capital and current expenditure projects and across the three value categories. The full breakdown and description of these projects is listed in Appendix 1.

Expenditure Recently Ended

Table 3 provides a summary of the inventory of expenditures above €0.5m recently ended by DTTAS and its related bodies. There are 47 projects or programmes that have recently ended which incurred expenditure of over €0.5m. The majority of projects or programmes fall under the €0.5-€5m value category. The full breakdown and description of these projects is listed in Appendix 1.

Table 1: Expenditure Projects Being Considered by Category

| Subhead | Subhead Description | Current Expenditure | | | Capital Expenditure | | |
|--------------|---|---------------------|----------|----------|---------------------|-----------|-----------|
| | | A | B | C | A | B | C |
| A.3. | Regional Airports | | | | | | |
| A.4. | Miscellaneous Aviation Services | | | | | | |
| A.4.1 | Aircraft Accident Investigation Insurance | | | | | | |
| A.4.2 | Payments to Irish Aviation Authority (Exempt Services) | | | | | | |
| A.4.3 | Subscription to Eurocontrol Organisation | | | | | | |
| A.4.4 | Subscription to International Organisations | | | | | | |
| A.4.6 | Miscellaneous Aviation Services | | | | | | |
| B.3 | Road Improvement and Maintenance | | | | | | |
| B.3.1 | Improvement of National Roads | | | | 31 | 17 | 21 |
| B.3.2 | Maintenance of National Roads | | | | | | |
| B.3.3 | NRA/RPA (Admin) & Expenses Current | | | | | | |
| B.3.4 | PPP Operating Payments | | | 3 | | | |
| B.3.5 | Regional and Local Roads Grants | | | | | | |
| B3 | Railway Procurement Agency Administration and Expenses | | | | | | |
| B.4 | Road Safety Agency and Expenses | 9 | 2 | | 2 | | |
| B.5. | Vehicle and Driving Licensing Expenses | | | | | | |
| B.6 | Smarter Travel and Carbon Reduction | | | | 1 | 2 | |
| B.7. | Public Service Provision Payments | | | | | | |
| B.8. | Public Transport Investment Programme | | | | | | |
| B.8.1. | Public Transport Projects | | | | | | |
| B.8.2. | Public Transport Safety & Development | | | | | 1 | 1 |
| B.8.3 | Public Transport Infrastructure - NTA | | | | | 1 | 1 |
| B.9. | Public Transport Agency and Expenses | | | | | | |
| B.10 | Miscellaneous Land Transport | | | | | | |
| C.3 | Maritime Administration and Irish Coast Guard | | | | | | |
| D.3. | Grants for Sporting Bodies and the Provision of Sports and Recreational Facilities | | | | | | |
| D.4. | Grants for the Provision and Renovation of Swimming Pools | | | | | | |
| D.5 | Irish Sports Council/National Sports Council | | | | 1 | | 1 |
| E.3 | Failte Ireland | | | | | | |
| E.4 | Tourism Ireland Limited | | | | | | |
| E.5 | Tourism Marketing Fund | | | | | | |
| E.6. | Tourism Product Development (Grant in Aid Fund) | | | | | | |
| Other | Policy and Governance Coordination Division | | | | | | |
| Other | Dttas - HR | | | | | | |
| TOTAL | | 9 | 2 | 3 | 36 | 21 | 25 |

A: €0.5-5m, B: €5-20m, C: > €20m

Table 2: Expenditure Being Incurred by Category

| Subhead | Subhead Description | Current Expenditure | | | Capital Expenditure | | |
|--------------|---|---------------------|-----------|----------|---------------------|-----------|----------|
| | | A | B | C | A | B | C |
| A.3 | Regional Airports | | 1 | | 1 | | |
| A.4 | Miscellaneous Aviation Services | | | | | | |
| A.4.1 | Aircraft Accident Investigation Insurance | | | | | | |
| A.4.2 | Payments to Irish Aviation Authority (Exempt Services) | | | | | | |
| A.4.3 | Subscription to Eurocontrol Organisation | | | | | | |
| A.4.4 | Subscription to International Organisations | | | | | | |
| A.4.6 | Miscellaneous Aviation Services | | | | | | |
| B.3 | Road Improvement and Maintenance | | | | | | |
| B.3.1 | Improvement of National Roads | | 1 | | 2 | 8 | 2 |
| B.3.2 | Maintenance of National Roads | | 1 | 1 | | | |
| B.3.3 | NRA/RPA (Admin) & Expenses Current | | | | | | |
| B.3.4 | PPP Operating Payments | 2 | 5 | 2 | | | |
| B.3.5 | Regional and Local Roads Grants | 1 | | 2 | 2 | 2 | 4 |
| B3 | Railway Procurement Agency Administration and Expenses | | | | | | |
| B.4 | Road Safety Agency and Expenses | 9 | 1 | | 2 | | |
| B.5 | Vehicle and Driving Licensing Expenses | | | | | | |
| B.6 | Smarter Travel and Carbon Reduction | | | | 3 | 1 | |
| B.7 | Public Service Provision Payments | | | | | | |
| B.8 | Public Transport Investment Programme | | | | | | |
| B.8.1 | Public Transport Projects | | | | 1 | 1 | |
| B.8.2 | Public Transport Safety & Development | | | | 7 | | 1 |
| B.8.3 | Public Transport Infrastructure - NTA | | | | 15 | 5 | 2 |
| B.9 | Public Transport Agency and Expenses | | | | | | |
| B.10 | Miscellaneous Land Transport | | | | | | |
| C.3 | Maritime Administration and Irish Coast Guard | 3 | | 1 | 4 | 1 | |
| D.3 | Grants for Sporting Bodies and the Provision of Sports and Recreational Facilities | | | | | 1 | |
| D.4 | Grants for the Provision and Renovation of Swimming Pools | | | | | 1 | |
| D.5 | Irish Sports Council/National Sports Council | 3 | 2 | | 3 | | |
| E.3 | Failte Ireland | 10 | 1 | | 2 | 1 | |
| E.4 | Tourism Ireland Limited | | | | | | |
| E.5 | Tourism Marketing Fund | | 1 | 1 | | | |
| E.6 | Tourism Product Development (Grant in Aid Fund) | | | | | | |
| Other | Policy and Governance Coordination Division | | | | | | |
| Other | Dttas - HR | | | | | | |
| TOTAL | | 28 | 13 | 7 | 42 | 21 | 9 |

A: €0.5-5m, B: €5-20m, C: > €20m

Table 3: Expenditure Recently Ended by Category

| Subhead | Subhead Description | Current Expenditure | | | Capital Expenditure | | |
|--------------|---|---------------------|----------|----------|---------------------|----------|----------|
| | | A | B | C | A | B | C |
| A.3 | Regional Airports | | | | | | |
| A.4 | Miscellaneous Aviation Services | | | | | | |
| A.4.1 | Aircraft Accident Investigation Insurance | | | | | | |
| A.4.2 | Payments to Irish Aviation Authority (Exempt Services) | | | | | | |
| A.4.3 | Subscription to Eurocontrol Organisation | | | | | | |
| A.4.4 | Subscription to International Organisations | | | | | | |
| A.4.6 | Miscellaneous Aviation Services | | | | | | |
| B.3 | Road Improvement and Maintenance | | | | | | |
| B.3.1 | Improvement of National Roads | | | | 12 | 3 | |
| B.3.2 | Maintenance of National Roads | | | | | | |
| B.3.3 | NRA/RPA (Admin) & Expenses Current | | | | | | |
| B.3.4 | PPP Operating Payments | | | | | | |
| B.3.5 | Regional and Local Roads Grants | | | | 6 | | |
| B3 | Railway Procurement Agency Administration and Expenses | | | | | | |
| B.4 | Road Safety Agency and Expenses | | | | | | |
| B.5 | Vehicle and Driving Licensing Expenses | | | | | | |
| B.6 | Smarter Travel and Carbon Reduction | | | | | 2 | |
| B.7 | Public Service Provision Payments | | | | | | |
| B.8. | Public Transport Investment Programme | | | | | | |
| B.8.1 | Public Transport Projects | | | | | | |
| B.8.2 | Public Transport Safety & Development | | | | | | 1 |
| B.8.3 | Public Transport Infrastructure - NTA | | | | | | |
| B.9 | Public Transport Agency and Expenses | | | | | | |
| B.10 | Miscellaneous Land Transport | | | | | | |
| C.3 | Maritime Administration and Irish Coast Guard | | | | | | |
| D.3 | Grants for Sporting Bodies and the Provision of Sports and Recreational Facilities | | | | | | |
| D.4 | Grants for the Provision and Renovation of Swimming Pools | | | | | | |
| D.5 | Irish Sports Council/National Sports Council | | | | 3 | | |
| E.3 | Failte Ireland | 17 | 1 | | | | 1 |
| E.4 | Tourism Ireland Limited | | | | | | |
| E.5 | Tourism Marketing Fund | | | | | | |
| E.6. | Tourism Product Development (Grant in Aid Fund) | | | | | | |
| Other | Policy and Governance Coordination Division | | | | | | |
| Other | Dttas - HR | | | | | | |
| TOTAL | | 17 | 1 | 0 | 21 | 5 | 2 |

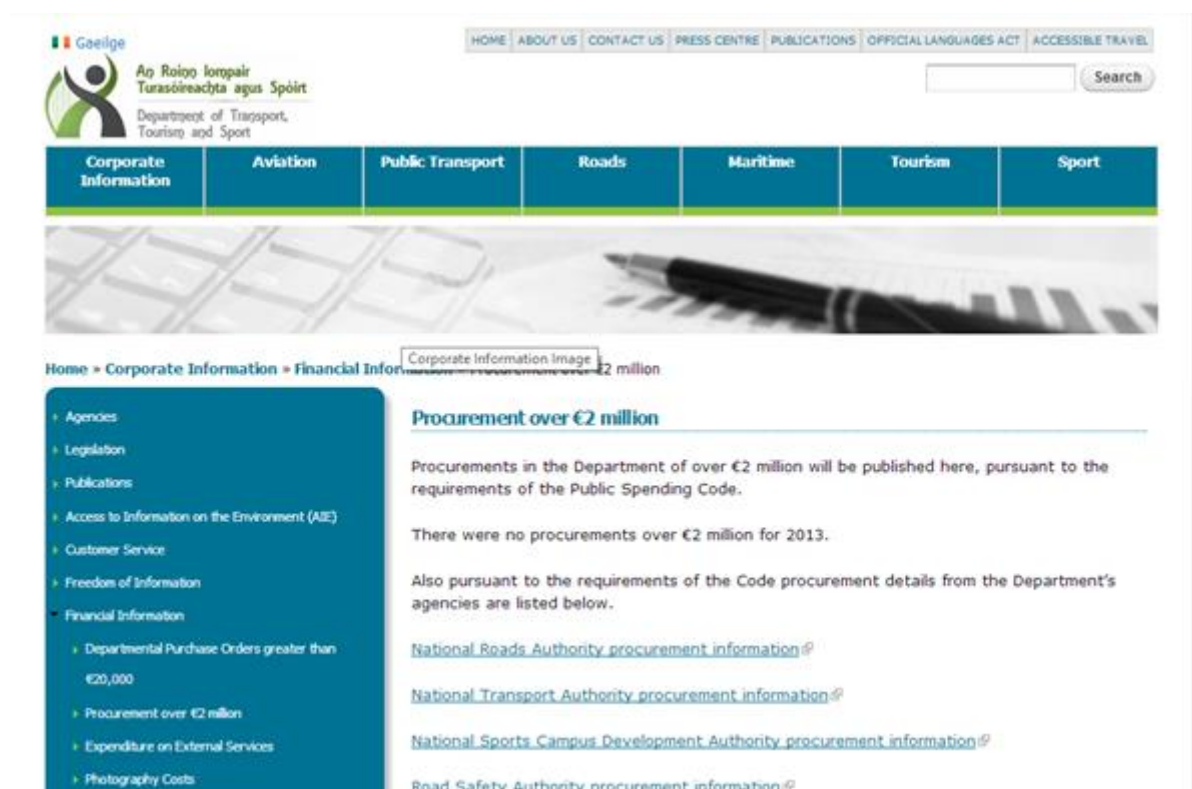
A: €0.5-5m, B: €5-20m, C: > €20m

1.2 Published Summary of Procurements

As part of the Quality Assurance process the Department of Transport, Tourism and Sport has published summary information on our website of all procurements in excess of €2m. Listed below is the link to this publication page and an illustration of its location.

Link to Procurement Publications:

<http://dttas.ie/corporate/english/procurement-over-%E2%82%AC2-million>



Source: www.dttas.ie

3. Assessment of Compliance

3.1 Checklist Completion: Approach Taken and Results

The third step in the Quality Assurance process involves completing a set of checklists covering all expenditure. The high level checks in Step 3 of the QA process are based on self-assessment by the Department and its agencies/bodies, in respect of guidelines set out in the Public Spending Code. There are seven checklists in total:

Checklist 1: General Obligations Not Specific to Individual Projects/Programmes

Checklist 2: Capital Projects or Capital Grant Schemes Being Considered

Checklist 3: Current Expenditure Being Considered

Checklist 4: Capital Expenditure Being Incurred

Checklist 5: Current Expenditure Being Incurred

Checklist 6: Capital Expenditure Completed

Checklist 7: Current Expenditure Completed

A full set of checklists 1-7 was completed by DTTAS. The Department also requested that agencies/relevant bodies each complete checklists 2-7. It was agreed the National Transport Authority would complete the checklists on behalf of Dublin Bus, Bus Éireann and Irish Rail (GDA expenditure). The set of checklists for DTTaS is set out in Table 4 below. The completed individual checklists for Departmental agencies are listed in Appendix 2 of this report. In addition to the self-assessed scoring, the vast majority of answers are accompanied by explanatory comments. Each question in the checklist is judged by a 5 point scale- **0.** Not Done, **1.** < 50% compliant, **2.** 50-75% compliant, **3.** > 75% compliant or **4.** 100% compliant.

Table 4 DTTaS Set of Checklists

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

Self-Assessed Ratings: **0** – Not Done, **1** - < 50% compliant, **2** – 50-75% Compliant, **3** – > 75%

Compliant, **4** – 100% Compliant

| | Self-Assessed Compliance Rating 0-4 | Comment/Action Required |
|--|-------------------------------------|--|
| Does the Department ensure, on an ongoing basis that appropriate people within the Department and in its agencies are aware of the requirements of the Public Spending Code? | 4 | The Economic & Financial Evaluation Unit (EFEU) of the Department leads on QA requirements on PSC |
| Has training on the Public Spending Code been provided to relevant staff? | 3 | No specific training as such, other than IGEES presentations. EFEU staff have developed guidelines for QA process and liaised with D/PER to ensure correct interpretation of PSC. |
| Has the Public Spending Code been adapted for the type of project/programme that your Department is responsible for? i.e. have adapted guidelines been developed? | 4 | EFEU has produced and circulated adapted QA guidelines to divisions and agencies |
| Has the Department in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code? | 4 | Agencies have been notified of their obligations under the PSC. The PSC formally came into effect from September 2013. Projects prior to this are 2005 Guidelines for the Appraisal and Management of Capital Expenditure. It is proposed that a letter of assurance of compliance with the PSC be requested in as part of the next QA process. These letters are already provided from transport agencies with respect to capital grants. |
| Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Department and to your agencies? | 4 | Yes spot check reports with recommendations were produced and disseminated |
| Have recommendations from previous Quality Assurance exercises been acted upon? | 4 | N/A first year of QA process |
| Has an annual Public Spending Code Quality Assurance Report been submitted to the Department of Public Expenditure & Reform? | 4 | Yes submitted. |

| | | |
|--|-----|-----------------------|
| Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process | Yes | Sample of apprx. 6%. |
| Has the Accounting Officer signed off on the information to be published to the website? | 4 | Signed off by Sec.Gen |

Checklist 2: – Capital Expenditure being considered – Appraisal and Approval

| | Self-Assessed Compliance Rating 0-4 | Comment/Action Required |
|---|-------------------------------------|--|
| Was a Preliminary Appraisal undertaken for all projects > €5m | 3 | The PSC formally came into effect in September 2013 and therefore projects/programmes preceding this date were subject to the 2005 Guidelines for the Appraisal and Management of Capital Expenditure Proposals. Appraisals are undertaken for all NRA roads schemes, which constitute the vast majority of capital expenditure being considered. |
| Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme? | 3 | Appropriate appraisal methods applied to projects/schemes. In the case of agencies, projects/programmes are subject to agency guidelines, e.g. NTA's project management guidelines. Again, important to note that some projects/programmes predate the PSC and QA process. |
| Was a CBA/CEA completed for all projects exceeding €20m? | 3 | 2013 is the first year of the QA process. As such, some projects/programmes predate the Code and QA process and were subject to the 2005 Capital Guidelines where a CBA threshold of €30m applied. A one year Infrastructure Manager maintenance contract for 2014 was agreed with Irish Rail, pending outcome of rail review which will establish parameters for a multi-annual contract (MAC). Once MAC is completed, the CBA requirement will then be examined. |
| Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the Planning and Design Phase? | 4 | For example, all NRA projects require approval prior to planning & design. |
| If a CBA was required was it submitted to the CEEU for their view? | 4 | N/A for 2013 |
| Were the NDFA Consulted for projects costing more than €20m? | 4 | Yes, mainly in relation to NRA and NTA projects |
| Were all projects that went forward for tender in line with the Approval in Principle and if not was the detailed appraisal | 4 | Yes |

| | | |
|---|---|---|
| revisited and a fresh Approval in Principle granted? | | |
| Was approval granted to proceed to tender? | 4 | Yes |
| Were Procurement Rules complied with? | 4 | Yes. In the case of NTA for example, grant recipients are required to follow public procurement guidelines. |
| Were State Aid rules checked for all supports? | 4 | Yes |
| Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered? | 4 | Yes |
| Were Performance Indicators specified for each project/programme which will allow for the evaluation of its efficiency and effectiveness? | 3 | Targets/outcomes have been used |
| Have steps been put in place to gather the Performance Indicator data? | 3 | Performance indicator data is a key part of IMMAC contract. |

Checklist 3: – Current Expenditure being considered – Appraisal and Approval

| | Self-Assessed Compliance Rating 0-4 | Comment/Action Required |
|--|--|---|
| Were objectives clearly set? | N/A | No Current Expenditure Being Considered in 2013 |
| Are objectives measurable in quantitative terms? | N/A | No Current Expenditure Being Considered in 2013 |
| Was an appropriate appraisal method used? | N/A | No Current Expenditure Being Considered in 2013 |
| Was a business case prepared for new current expenditure? | N/A | No Current Expenditure Being Considered in 2013 |
| Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence? | N/A | No Current Expenditure Being Considered in 2013 |
| Was the required approval granted? | N/A | No Current Expenditure Being Considered in 2013 |
| Has a sunset clause been set? | N/A | No Current Expenditure Being Considered in 2013 |
| Has a date been set for the pilot evaluation? | N/A | No Current Expenditure Being Considered in 2013 |
| Has the methodology and data collection requirements for the pilot evaluation been agreed at the outset of the scheme? | N/A | No Current Expenditure Being Considered in 2013 |
| If outsourcing was involved were Procurement Rules complied with? | N/A | No Current Expenditure Being Considered in 2013 |

| | | |
|---|-----|---|
| 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? | N/A | No Current Expenditure Being Considered in 2013 |
| Have steps been put in place to gather the Performance Indicator data? | N/A | No Current Expenditure Being Considered in 2013 |

Checklist 4: – Incurring Capital Expenditure

| | Self-Assessed Compliance Rating 0-4 | Comment/Action Required |
|--|-------------------------------------|---|
| Was a contract signed and was it in line with the approval in principle? | 4 | Yes contracts in place underpinning capital expenditure. |
| If a construction or ICT project was the contract for a fixed price? | 4 | Where appropriate, projects are delivered on fixed price basis. NRA projects have Government Construction Contracts Committee (GCCC) approved contracts |
| Are suitable management structures in place, commensurate with the scale of projects? | 3 | Yes. For example NTA has project management guidelines for projects of different scales. |
| Did management boards/steering committees meet regularly as agreed? | 3 | Generally yes. Again for example, NTA's internal project management guidelines set out best practice. |
| Were Programme Co-ordinators appointed to co-ordinate implementation? | 3 | |
| Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable level for the scale of the project? | 3 | Project managers appointed at appropriate levels |
| Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality? | 3 | In general monitoring reports were prepared. Monitoring steering groups also in place for NTA/NRA in place |
| Did the project keep within its financial budget and its time schedule? | 3 | Some roads projects were late completing |
| Did budgets have to be adjusted? | 3 | Adjustments carried out in a structured manner. Grant payments not discharged in the absence of approval |

| | | |
|---|-----|---|
| Were decisions on changes to budgets or time schedules made promptly? | 3 | Yes responses to changes in budgets and time schedules made in a timely fashion |
| Did circumstances ever warrant questioning the viability of the project? (exceeding budget, lack of progress, changes in the external environment) | Yes | Noted in NTA return that in some circumstances where funding was an issue, projects were re-scoped or re-tendered. |
| If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination? | Yes | Yes, examination of projects was carried out to assess for example, the potential for re-scaling |
| If costs increased was approval received from the Sanctioning Authority? | Yes | Agencies report regularly on progress to Department |
| Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment? | Yes | |
| For projects > €20m were quarterly reports on progress submitted to the MAC or Management Board and to the Minister? | Yes | e.g. Luas Cross City. Also regular expenditure updates provided to Management Board by Finance Division and relevant Divisions. |
| Were prescribed annual tables on projects, completed or in progress and > €20m submitted to the Department of Public Expenditure & Reform? | Yes | As part of Department's Annual Report on Capital Investment Programme |

Checklist 5: – Incurring Current Expenditure

| | Self-Assessed Compliance Rating 0-4 | Comment/Action Required |
|---|--|--|
| Are there clear objectives for all areas of current expenditure? | 4 | Yes objectives for all areas of current expenditure |
| Are outputs well defined? | 3 | Outputs generally well defined. Extensive reporting on PSO contracts is required for the discharge of subsidy performance payments |
| Are outputs quantified on a regular basis? | 3 | Yes, particularly for PSO contracts, Rural Transport Programme, |
| Is there a method for monitoring efficiency on an ongoing basis? | 3 | Yes, via extensive performance reporting on PSO contracts |
| Are outcomes well defined? | 3 | Yes and work ongoing. |
| Are outcomes quantified on a regular basis? | 3 | Yes. NTA publishes annual bus and rail statistics bulletin. |
| Is there a method for monitoring effectiveness on an ongoing basis? | 3 | Yes, via extensive performance reporting on PSO contracts. |
| Have formal VFM evaluations or other evaluation been completed in the year under review? | Yes | FPA on Green Schools Programme nearing completion, National Roads Maintenance-Current expenditure underway. |
| Are plans for new evaluations made in good time to ensure that they are completed in time to feed into the annual budget cycle? | Yes | |
| Are unit costings compiled for performance monitoring? | 3 | E.g. Maximum unit costs in place for restoration of R&L roads maintenance. |

Checklist 6: – Capital expenditure completed

| Capital Expenditure Completed | Self-Assessed Compliance Rating 0-4 | Comment/Action Required |
|---|-------------------------------------|---|
| Were the required post-project reviews carried out? | 3 | For national roads projects, reviews are not normally carried out in year of completion-they are carried out once traffic patterns settle a few years post-construction. Similarly the case for rail projects, where post project reviews are carried out 3-4 years after project completion. |
| Was a post project review completed for all projects/programmes exceeding €20m? | 3 | Some NRA post project reviews still being finalised. A mid –term review of the Railway Safety Programme 3 was carried out by Risk Solutions. RSP 3 ended in 2013. |
| If sufficient time has not elapsed to allow a proper assessment of benefits has a post project review been scheduled for a future date? | 3 | Yes |
| Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? | 3 | Yes |
| Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews? | 3 | Control processes and project development processes continually refined. |
| Was project review carried out by staffing resources independent of project implementation? | 3 | Generally yes. |

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

| | Self-Assessed Compliance Rating 0-4 | Comment/Action Required |
|--|--|---|
| Were reviews carried out of, current expenditure programmes that matured during the year or were discontinued? | 4 | Very few current expenditure areas matured other than a small number of individual tourism projects and none were discontinued. Current expenditure programmes tend to be rolling year-to-year programmes, e.g. PSO contracts |
| Did those reviews reach conclusions on whether the programmes were effective? | 4 | N/A |
| Did those reviews reach conclusions on whether the programmes were efficient? | 4 | N/A |
| Have the conclusions reached been taken into account in related areas of expenditure? | 4 | N/A |
| Were any programmes discontinued following a review of a current expenditure programme? | No | N/A |
| Was the review commenced and completed within a period of 6 months? | N/A | N/A |

3. 2 Main Issues Arising from Checklist Assessment

The completed check lists show the extent to which the Department and its agencies believe they comply with the Public Spending Code. Overall, the checklists show a good level of compliance with the Code.

The DTTaS set of checklists takes an overview of expenditure covering both the Department and its agencies. Individual agency checklists have informed the completion of DTTaS checklists. Checklist 1 demonstrates that the Department has been proactive in implementing the QA process by ensuring that an independent unit (Economic and Financial Evaluation Unit) oversees the process in line with Public Spending Code recommendations. QA process guidelines have been prepared and circulated across Departmental divisions and to relevant agencies.

With regard to expenditure being considered, no new current expenditure programmes were under consideration in 2013. The checklist for capital expenditure under consideration suggests good levels of compliance with the PSC in general with regard to areas such as appraisal, procurement and state aid rules. For expenditure being incurred, again good levels of compliance are evident in checklist responses. A key factor here is the prior existence of agency internal project management guidelines setting out best practice. With regard to checklists for expenditure completed in 2013, current expenditure programmes are primarily rolling, year-to-year programmes such as the PSO contracts and are subject to ongoing performance monitoring, rather than once off reviews. For capital expenditure completed in 2013, it is important to note that reviews for transport infrastructure projects are timed to allow for full project close-out and a period of user adoption.

Of all the agency responses recorded through the checklists, only a very small number of responses indicated a compliance level of under 75% (less than 10 responses overall). The agency checklists therefore reveal good levels of adherence to the principals and processes of the Public Spending Code. Trends in responses to agency checklists will be monitored from year to year and responses indicating compliance levels of 2 and under will be followed up and monitored as part of the Quality Assurance process in future years.

3.3 In-Depth Checks

The following section details the in-depth checks which were carried out in the Department as part of the Public Spending Code. Existing spot check processes in the Department were examined as part of the in-depth checks. Sections 6 and 7 will detail how the Department proposes to improve this process in 2015. The checks analysed here represent over 6% of the Department's overall inventory.

1. Smarter Travel

Process: The Sustainable Transport Division carried out a number of spot checks on its related programmes. As part of this process the division identified the projects which it would analyse by using a formula to randomly identify 5% of the total value of their projects. The division analysed the following programmes in 2013 and 2014:

- Offaly County Council – Smarter Travel Funding
- Cork City Council – Smarter Travel Funding
- Mayo County Council – National Cycle Network
- Clare County Council – Bike Week 2011
- Limerick City Council – Smarter Travel Funding
- Donegal County Council – Smarter Travel Funding
- Waterford County Council – Smarter Travel Funding
- Offaly County Council – National Cycling Network Funding

The division completed an initial desk check of these programmes which covered a number of topics before engaging in an on-site check of the programme.

In addition to these checks, the division has contracted AECOM to carry out an ex-post evaluation of the Smarter Travel Areas Programme. The evaluation looked at projects in Dungarvan, Limerick and Westport. The initial report sets out a quantitative and qualitative research methodology that will allow for the programme to be fully evaluated over a number of years. This report process provides a comprehensive evaluation of the effectiveness and efficiency of the smarter travel area programme and is comprehensive in its assessment of the programme over time.

Objectives: The objectives of the spot checks carried out by the Sustainable Transport Division were to ensure that the money allocated to these projects were spent on the stated headings and that the projects were correctly tendered, managed and implemented.

Outcomes: The majority of checks showed that projects had been implemented as planned. A number of minor issues consistently arose including the non-erection of Smarter Travel plaques at programme locations and the provision of some background documentation. These issues were rectified. The separate report by AECOM found that smarter travel areas are having a positive effect on a number of metrics. The on-going evaluation of this programme will be of great value in assessing compliance with the Public Spending Code.

Assessment: The spot checks carried out by the Sustainable Transport Division were drawn from a random 5% of all of the division's programmes. The focus and objective of the checks was on ensuring that grants had been correctly spent and that procurement had taken place in an appropriate fashion. While this is a useful exercise which ensures a level of financial compliance and should therefore be continued, it does not fully take on board the requirements of the Public Spending Code. Separately, the report produced by AECOM on the Smarter Travel Areas programme is a comprehensive evaluation which provides robust evidence for Public Spending Code compliance. Output from evaluation of the STA programme will feed into future QA reports in terms of the helping to assess the efficiency and effectiveness of the programme.

2. National Transport Authority

Process: The National Transport Authority (NTA) enlisted an independent body (RSM McClure Watters) to complete in-depth reviews of a number of public transport programmes as part of the QA process. The report arising from the in-depth checks is contained in Appendix 3. Programmes to be subject to in-depth checks were selected in consultation with the NTA. These checks covered the following programmes:

- Dublin Bus PSO Programme
- Bus Replacement Programme
- Luas Cross City

Objectives: RSM McClure Watters lists the purpose of the review as being 'to provide an independent professional opinion on compliance with the Public Spending Code and, more specifically, the quality of the appraisal, planning and implementation of work done within each programme. The projects were examined in order to assess if the practices implemented are of a high standard. The scope of the audit included a review of compliance with the Public Spending Code within each of the above projects.

Outcomes: The report completed by RSM McClure Watters analysed the 3 programmes using an auditing process and detailed observations were given on each of the programmes. In general, the report found that the programmes complied with the Public Spending Code. With regard to Dublin Bus PSO Programme, the report notes that compliance with the PSC is based on a number of controls in place including the contract itself which clearly establishes roles, responsibilities and accountabilities. Satisfactory reporting requirements, performance obligations and systems of internal financial control are also listed as controls which help to ensure compliance with the PSC. For the Dublin Bus Fleet Replacement Programme, controls ensuring compliance include a clear linkage between the project and overarching transport strategies, a project approval application submitted in support of the request for funds, a formal letter of project approval issued by the NTA for the purchase of 80 buses, periodic progress reports and robust procurement procedures applied by Dublin Bus and reported to NTA. For the Luas Cross City project, controls which have been implemented include the preparation of an updated business case, and independent review

of the business case. It is also noted that formal project management guidelines, authorisation levels and schemes of delegation are in place within the RPA and progress on the project is regularly reported on to the NTA board.

The RSM McClure Watters report makes three specific recommendations which were all agreed to by the NTA. The recommendations entailed an improvement in minute taking at meetings related to Dublin Bus PSO, a quantification of benefits from the Bus Replacement Scheme and that the NTA should continue to apply rigorous oversight for the duration of the LUAS Cross City project and to ensure afterwards that all necessary post project evaluations are undertaken.

Assessment: The independent checks completed on Dublin Bus PSO, the Bus Replacement Scheme and LUAS Cross City were carried out by RSM McClure Watters for the National Transport Authority at the request of the Department. While the report is a useful summary of the extent of controls which the NTA has in place in each of the programmes in order to ensure compliance with the PSC, future in-depth checks will require more detail including examples and evidence of the controls listed, e.g. progress reports, letters of approval and business case. Furthermore, for future QA reports, the Department's EFEU may undertake the in-depth checks covering NTA expenditure in addition to or instead of the NTA's independent team as deemed appropriate.

3. Heavy Rail

Process: The Rail Safety Programme has been the subject of on-going in-depth checks by DTTAS and the NTA. This has included two mid-term reports (by DTTAS and the NTA) and on-going quarterly reports. In addition, the Public Transport Investment Division have carried out spot-checks on the Western Rail Corridor Phase 1 and a Ticket Validation Scheme at 6 Rail Stations.

Objectives: The objectives of the midterm reports were to analyse the value for money, performance and management of the scheme. The quarterly reports analyse the programme with a number of performance indicators and thus also have the objective of evaluating performance. The objective for the spot checks on the Western Rail Corridor and the Ticket Validation Scheme was to ensure financial compliance rather than any evaluative goal. Essentially the checks were to ensure that these projects were financially compliant in terms of eligibility, procurement, VAT, tax clearance etc.

Outcomes: The mid-term reports identified a number of changes that should be made to the programme structure. The quarterly reports show, in the main, that the programme is performing as expected in terms of performance indicators. The Spot Checks showed that both the Western Rail Corridor and the Ticket Validation Scheme complied with financial processes.

Assessment: The checks carried out on heavy rail projects were of a high standard in terms of assessing compliance with the Public Spending Code. In particular, the Railway Safety

Programme received particularly in-depth analysis with mid-term reports and quarterly reports. These reports went beyond an audit capacity and analysed areas such as value for money, analysis of unit cost and KPIs, benchmarking, governance of the programme and future forecasted needs. Spot checks of the Western Rail Corridor Phase 1 and the Ticket Validation programme focused on financial and procedural compliance, i.e. to ensure all expenditure was eligible and appropriate procurement took place.

4. Regional and Local Roads

Process: The Roads Division in DTTAS carries out a number of on-going checks in relation to the funding of regional and local roads. In 2012, the Roads Division carried out 9 on-site and desk checks of town and county councils. In 2013, the division carried out 28 desk checks of town and county councils and no on-site checks. A random sample of these checks was drawn by the Economic and Financial Evaluation Unit which included the following Local Authorities:

- Arklow Town Council – R&L Roads Allocation 2012
- Wicklow Town Council – R&L Roads Allocation 2012
- Offaly County Council – R&L Roads Allocation 2012
- Carlow County Council – R&L Roads Allocation 2013
- South Tipperary County Council – R&L Roads Allocation 2013
- Leitrim County Council – R&L Roads Allocation 2013
- South Dublin County Council – R&L Roads Allocation 2013

Objectives: The objectives of the Roads Division's on-going checks are to ensure that claims made by Local Authorities are in line with the total payment made and for eligibility under the Memorandum on Grants for Regional and Local Roads (April 2012). The spot checks are a financial assurance process used to ensure that Local Authorities are spending their allocation on correct and eligible items. The checks grouped expenditure in to original, ineligible, query and eligible expenditure. Thus, DTTAS deemed some expenditure eligible for grant purposes based on the information supplied. For other expenditure, they either deemed it ineligible for payment or followed it up with a query.

Outcomes: The checks carried out by the Roads Division show that, in the main, expenditure by Local Authorities on Regional and Local Roads complied with the objectives of the spot-checks. In three local authorities the spot-checks revealed some ineligible expenditure which could not be claimed under the grant. These issues were subsequently rectified.

Assessment: The spot checks completed by Roads Division were conducted as on-site checks and desk checks. These checks were aimed at ensuring that all expenditure on programmes was eligible under the terms of the grant and that appropriate procurement procedures had been followed. The spot checks ensure a high level of financial compliance and should therefore be continued. However the checks do not fully take on board the requirements of the Public Spending Code.

5. Sports Capital

Process: DTTAS carries out an annual capital spot check programme on sports programmes. The 2013 spot check is currently being completed. The spot check reports referred to in this report deal with 2012 expenditure. 10 projects were randomly selected in 2012 and this represented 7.63% of the total sports capital spend for 2012 at €1.2 million. The projects analysed were based in Kerry, Tipperary, Wicklow, Galway, Meath, Louth, Sligo, Westmeath and Dublin (x2).

Objectives: The stated objectives of these checks were to

- Ensure that payments from the Department in respect of grants were paid into the appropriate grantee bank accounts in a timely manner.
- Ensure that the work performed by grantees was consistent with that indicated in the grant award.
- Ensure that the payments made to vendors by the grantees were appropriate and conducted in a timely manner.
- Ensure that appropriate insurances were in place in respect of grant-aided facilities.
- Obtain feedback from grantees in relation to their dealings with the Department and their views on the Capital Programmes.
- Obtain feedback from grantees in relation to changes in participation levels as a result of the grant-aid

Outcomes: The overall conclusion from the report is that the Sports Capital Programmes in the Department are being well run and are achieving their aims. The report specifically states that 90% of programmes stimulated an increase in the level of participation/attendance and, in general, there was a positive opinion among grantees on the administration of the programmes. Two issues were identified through the checks. First, some clubs were still waiting on payments from the Department when they had to pay contractors. Second, there was a lack of paperwork available during inspections despite advanced notice of the checks.

Assessment: In a similar fashion to the checks carried out by other divisions, the goal of the process carried out by the Sports Capital Division was more focused on auditing financial compliance than programme evaluation. It is recommended that these spot checks should continue to be undertaken by Finance Division. However, there is a need in future QA reports for a wider evaluation of how the programmes are funded, managed and overseen.

Table 5.1: Summary of Projects Subject to In-Depth Review

| Project/Programme | Value |
|--|----------------------|
| Sustainable Transport Division | |
| Offaly County Council – Smarter Travel Funding | 92,574 |
| Cork City Council – Smarter Travel Funding | 99,968 |
| Mayo County Council – National Cycle Network | 725,000 |
| Clare County Council – Bike Week 2011 | 4,914 |
| Limerick City Council – Smarter Travel Funding | 142,368 |
| Donegal County Council – Smarter Travel Funding | 325,176 |
| Waterford County Council – Smarter Travel Funding | 301,411 |
| Offaly County Council – National Cycling Network Funding | 400,000 |
| Smarter Travel Areas Programme (total programme value €23m) | 5,650,000 |
| Public Transport Investment Division | |
| Dublin Bus PSO Programme | 60,053,949 |
| Bus Replacement Programme | 37,770,000 |
| Luas Cross City | 13,181,000 |
| Public Transport Investment Division (Heavy Rail) | |
| Railway Safety Programme (RSP3 09-13) | 90,000,000 |
| Western Rail Corridor Phase 1 | 4,318,683 |
| Ticket Validation at 6 Stations | 2,312,000 |
| Roads Division | |
| Arklow Town Council – Regional and Local Roads Allocation | 195,000 |
| Wicklow Town Council – Regional and Local Roads Allocation | 195,000 |
| Offaly County Council – Regional and Local Roads Allocation | 7,188,053 |
| Carlow County Council – Regional and Local Roads Allocation | 4,110,657 |
| South Tipperary County Council – Regional and Local Roads Allocation | 9,190,598 |
| Leitrim County Council – Regional and Local Roads Allocation | 6,889,332 |
| South Dublin County Council – Regional and Local Roads Allocation | 4,683,352 |
| Sports Capital Division | |
| Tralee Tennis Club - Kerry | 72,180 |
| Nenagh Olympic Athletic Club - Tipperary | 91,105 |
| Stratford on Slaney GAA Club - Wicklow | 41,500 |
| Ballinasloe GAA Club – Galway | 28,698 |
| St Peter’s GAA Club, Dunboyne – Meath | 82,854 |
| Spinal Injuries Ireland – Dublin | 55,434 |
| Rock Celtic FC – Louth | 38,000 |
| Ski Club Ireland – Dublin | 83,642 |
| Curry/Moylough GAA Club – Sligo | 42,613 |
| Athlone IT – Westmeath | 700,625 |
| Total Value of In-Depth Checks | 249,065,686 |
| Total Value of Inventory* | 3,874,129,671 |
| % of Inventory Value Analysed | 6% |

* Estimate (Some Projects are a Value Range and Some Are Themselves an Estimate)

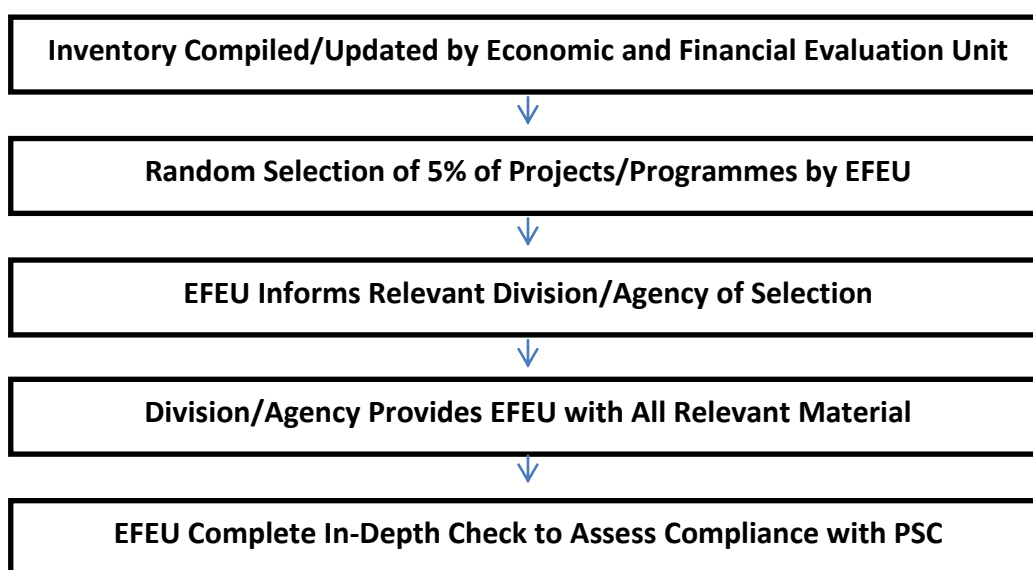
4. Next Steps: Addressing Quality Assurance Issues

The compilation of both the inventory and checklists for the first year of this QA process was a significant co-ordination task in terms of liaising with agencies and divisions within the Department and collating of relevant information for the inventories and the checklists. It is envisaged that the administrative burden of the QA process will ease as the process becomes embedded over time in annual Departmental programme of activities.

As discussed in Section 3, in-depth checks carried out for the Dublin Bus PSO Programme, Bus Replacement Programme and Luas Cross City were useful in terms of setting out the controls which are place to ensure compliance with the PSC. Spot checks carried out for Smarter Travel projects, regional and local roads, heavy rail programme and sports capital programme are useful in ensuring a high level of financial compliance in expenditure and these checks where they are in place already should continue in so far as possible by the divisions concerned and feed into the annual QA process. However the PSC also requires that in-depth checks take a broader evaluation view of project/programmes assessing project management, project appraisal and post project reviews amongst other things.

It is envisaged that a more centralised approach to in-depth checks will be taken in future years. Now that an inventory of projects and programmes is in place, the EFEU is better positioned to select an appropriate sample of programmes for further assessment via the in-depth check process. Line divisions and agencies will be informed of this process and will be asked to submit relevant documentation on the selected programmes. In addition, completed Value for Money and Policy Reviews (VfMs) and Focused Policy Assessments (FPAs) will assist in the QA process by highlighting the types of expenditure areas which merit in-depth checks. A summary of the proposed future process for in-depth checks by the Department is set out below.

Summary of Future Process for In-Depth Check by DTTAS



Finally, as not all agencies will be subject to in-depth checks, it is proposed to seek letters of assurance annually from the agencies setting out their compliance with the Public Spending Code. Given the subjective nature of the checklists, it is considered prudent to request that agencies provide a basic level of comfort to the Department with regard to their compliance with the Code. Transport agencies already submit similar letters of assurance to the Department regarding capital funding.

In summary, recommendations for future year QA reports are the following:

1. Where existing spot check programmes are in place, they should continue in so far as possible by the Divisions to maintain high levels of financial and procedural compliance. The QA report will continue to report on the outcome of these financial compliance focused checks.
2. The Economic & Financial Evaluation Unit of the Department should select projects/programmes from a centrally controlled inventory for in-depth checks (assessing project management, appraisal, post project reviews etc.)
3. Letters of assurance of compliance with the Public Spending Code should be sought from agencies

5. Conclusion

The inventory outlined in this report clearly lists the current and capital expenditure that is being considered, being incurred, and that has recently ended. The Department has published details of all procurements in excess of €2 million on its website. The checklists completed by the Department and its agencies show a high level of compliance with the Public Spending Code. The in-depth checks carried out on a selection of programmes revealed no major issues which would cast doubt on the Department's compliance with the Code. However, it is acknowledged that additional work is required in order to ensure that future in-depth checks are suitably detailed to allow an assessment to be made on compliance with the Code. The report concludes with recommendations to alter the internal QA Process in future years such that the Department can ensure high levels of compliance with the Public Spending Code.