



**An Roinn Iompair
Turasóireachta agus Spóirt**

**Department of Transport,
Tourism and Sport**

Quality Assurance Report for Expenditure in 2016

Department of Transport, Tourism and Sport

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

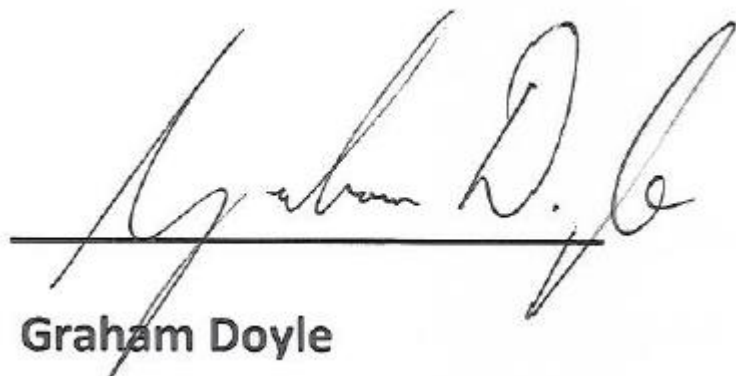


Irish Government Economic & Evaluation Service

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 'Graham Doyle', is written over a solid horizontal line. The signature is stylized and cursive.

28 November 2017

Contents

1. Executive Summary	1
2. Introduction	3
3. In-Depth Checks	5
4. Other Quality Assurance Issues	10
5. Summary and Next Steps	11
Appendix 1: In-Depth Checks	13

1. Executive Summary

This report fulfils a requirement under the Public Spending Code (PSC) for each Government Department to put in place an internal, independent, quality assurance procedure involving annual reporting on how organisations are meeting their PSC obligations. This is the fourth Quality Assurance (QA) report to be published by the Department of Transport, Tourism and Sport (DTTaS). Overall, the Department is satisfied that both it and its agencies are meeting the obligations set out in the PSC.

Due to resource constraints and the high levels of compliance found in the 2013, 2014 and 2015 QA reports, the 2016 QA process has not involved the full number of steps carried out in previous years. With the agreement of the Department of Public Expenditure and Reform (DPER), this year three in-depth checks have been carried out on €540m worth of expenditure covering a range of projects at different stages in their lifecycle.

The main findings of the report are summarised below.

1.1. In-depth checks

A number of projects or programmes are selected under the QA process each year to be reviewed more intensively. The primary aim of these checks is to evaluate the standards employed in financial management, planning, and implementation across the lifecycle of projects and programmes. The three projects selected for review in this year's QA report are LUAS Broombridge (Cross City Line), the N5 Westport to Bohola/Turlough and the Grow Dublin international tourism marketing campaign.

The three in-depth checks have revealed a good level of compliance with the PSC. However, given that the PSC was introduced in 2013 while two of the three projects commenced prior to that year, it is inevitable that there are some areas for improvement. Recommendations are discussed in greater detail in Section 3.2 and in Appendix 1, but generally speaking the projects could have benefited from ensuring that objectives are outcome-focused and specific, measurable, accurate, realistic and timely (SMART); that greater consideration be given to alternative options and wider impacts at the pre-appraisal and appraisal stage; and

that structures are put in place from the outset to capture the data necessary for future evaluation.

1.2 Summary report

While a shortened QA process has been undertaken this year, the in-depth checks carried out for expenditure in 2016 have demonstrated a high degree of compliance with the PSC by DTTaS and agencies under its remit.

The most notable event in terms of quality assurance within the Department in 2016 was the publication of the updated Common Appraisal Framework while a number of important work streams are advancing in 2017, including the publication of the Data Strategy, VfM reviews for the driver testing service and tourism marketing fund and a further iteration of the Common Appraisal Framework.

2. Introduction

The Department of Transport, Tourism and Sport's Strategic Research and Analysis Division (SRAD) has completed this Quality Assurance Report as part of the Department's on-going compliance with the Public Spending Code.

The PSC seeks to ensure that the State achieves value for money in the use of all public funds. The Quality Assurance procedure aims to gauge the extent to which Departments and their associated agencies are meeting the obligations set out in the PSC.

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 stages 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 allow the Department and its agencies to self-assess their compliance with the PSC.
- 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 spending¹) are selected to be reviewed more intensively. The primary aim of these checks is to evaluate the standards employed in financial management, planning, and implementation across the lifecycle of projects and programmes.
- 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 €10m, 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.

¹ The Public Spending Code specifies that, on average, in-depth checks should analyse 5% of the total value of all projects/programmes/schemes in the inventory each year, i.e., 15% of the total over the three years.

Due to resource constraints and the high levels of DTTaS compliance found in previous QA reports, with the agreement of DPER only steps four and five of the QA process have been carried out this year.

This report fulfils the fifth requirement of the QA Process.

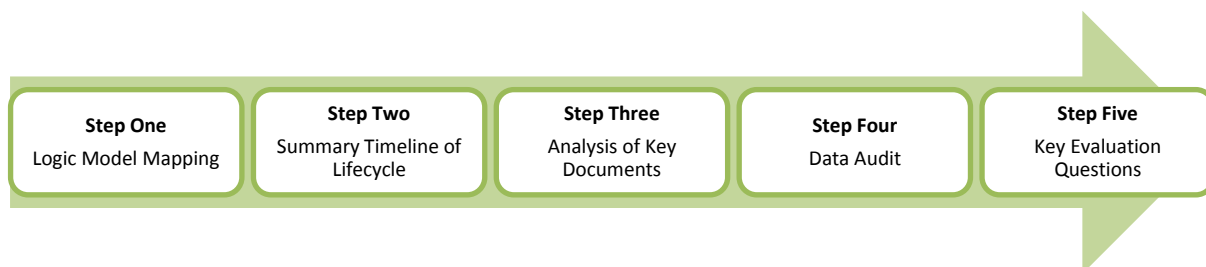
3. In-Depth Checks

The following section describes the in-depth checks that were carried out in the Department as part of this Quality Assurance Process. For the 2014 report a standard methodology and template for in-depth checks was developed which has been used again this year. SRAD carried out three in-depth checks as part of this year's process covering LUAS Broombridge (Cross City Line), the N5 Westport to Bohola/Turlough and the Grow Dublin international marketing campaign. The full in-depth checks are published in Appendix 1 of this report while summaries are included in section 3.2 below.

3.1 In-Depth Check Methodology

As part of the 2014 Quality Assurance Report, SRAD drafted and implemented a standard methodology for carrying out in-depth checks. The methodology is based on the principles and guidance within the PSC and best practice evaluation tools. This methodology has been applied uniformly across this year's in-depth checks and will be utilised in a similar fashion in future years.

There are 5 steps to the completion of each in-depth check:



Step 1: Logic Model Mapping

Each programme or project is mapped to a Logic Model. A Programme Logic Model (PLM) defines the objectives, inputs, activities, outputs and impacts of a process into a coherent framework and facilitates best practice evaluation. PLMs are standard practice in evaluation in Ireland and are utilised here as a means of distilling information. The publication of these PLMs in the QA report will encourage further evaluation and assist the selection and completion of Value for Money and Policy Reviews (VfMs), Focused Policy Assessments (FPAs) and other analysis.

Step 2: Summary Timeline of Project/Programme Lifecycle

The timeline of the project is outlined along the project lifecycle set out in the PSC – Expenditure Being Considered, Expenditure Being Incurred and Expenditure Recently Ended. The types of major events considered include the dates associated with decisions to proceed with certain analysis, project options, policies that are published during the period that supported the programme/project, finalisation of relevant reports, etc.

Step 3: Analysis of Key Documents

Having outlined the project stages through the lifecycle, the in-depth check examines in detail all material that has been compiled in order to plan, assess or implement the programme. In practice this involves reviewing and analysing key documentation such as business cases, cost-benefit analyses, evaluations and post-project reviews. The assessment of these documents will assist in the completion of the key evaluation questions.

Step 4: Data Audit

In step 4 the in-depth check defines the data requirements for future evaluation and the current level of data availability. This assists in the identification of any data gaps and steps to alleviate any issues are considered. The findings from this section are also used by SRAD to inform on-going work on the Department's Data Strategy.

Step 5: Key Evaluation Questions

The final step of the in-depth check assesses the programme on the basis of three key evaluation questions, with the answers informed by findings from the previous steps. The answers to these questions are the basis of the evaluation of the project/programme. The three key questions are:

1. Does the delivery of the project/programme comply with the standards set out in the PSC? (Appraisal, Implementation and Post-Implementation Stages)
2. Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?
3. What improvements are recommended such that future processes and management is enhanced?

Having outlined the methodology behind the in-depth checks, this report now presents a summary of each of the three checks carried out this year. The three projects/programmes selected for review are LUAS Broombridge (Cross City Line), the N5 Westport to Bohola/Turlough and the Grow Dublin international tourism marketing campaign.

3.2 In-Depth Check Summaries

Table 1: Summary of Projects Subject to In-Depth Review

Project/Programme	Category	Value
LUAS Broombridge (Cross City Line)	Public Transport	€368m
N5 Westport to Bohola/Turlough	Roads	€169.6m
Grow Dublin International Marketing Campaign	Tourism	€2.4m
Total Value of In-Depth Checks		€540m

LUAS Broombridge (Cross City Line)

This project refers to the construction of a light rail line as part of Dublin City’s Luas tram network. This project extends the existing Luas Green Line from St. Stephen’s Green to the Iarnród Éireann train station in Broombridge. This extension northwards through Dublin City will also connect the previously separate Luas Green and Red lines. This project was first identified in 2004 following the early success of the Luas Green and Red Lines. Government approval was gained in 2012 and construction began in 2015.

The overall assessment of the Luas Broombridge project in terms of the Quality Assurance Process is that generally the project complies with the relevant and applicable guidelines of the Public Spending Code (PSC). The In-Depth Check notes that the project was initiated prior to the introduction of the PSC in 2013 and that certain elements, particularly relating to the appraisal of the project, could not be expected to fully adhere to these guidelines. There are two particular areas in the appraisal of this project that would benefit from the guidelines provided by the PSC: defining the rationale for the project, and undertaking a preliminary appraisal of a larger number of alternative options.

N5 Westport to Bohola/Turlough

This project refers to the upgrading of a section of the N5, first between Westport and Bohola and subsequently between Westport and Turlough following a planning determination made by An Bord Pleanála. The project arises from the amalgamation of four separate roads projects in County Mayo initiated prior to 2008 while the route revision was made in 2011. The original opening year for the scheme was 2014 and this was subsequently put back to 2018. Due to further delays related to budgetary constraints, it is now expected that construction will commence in 2021.

The project was at Phase 3 when the Public Spending Code was introduced in 2013. Nevertheless, the overall appraisal process and documentation for the project is generally consistent with the Public Spending Code and the latest edition of DTTaS's Common Appraisal Framework. The current guidelines might have enhanced analysis in the pre-appraisal and appraisal phases, ensuring that the impact of the project on alternative transport modes within the study area, such as rail, are considered and that objectives are SMART. In the event that another cost-benefit analysis of the project is required before construction starts, the opportunity should be taken to implement the updated guidelines.

Grow Dublin

Spending on the Grow Dublin tourism programme varies depending on how the projects under its umbrella are categorised and this creates some confusion around the Public Spending Code requirements. Treating the overseas marketing campaign as one current expenditure programme taking place over three years (2015-2017) and costing €2.43m for the first two (€1.75m of public funds), a small single appraisal should have been carried out within Fáilte Ireland and documented. Broadly speaking, the work carried out by Fáilte Ireland in appraising the programme, establishing a plan for monitoring and evaluation, and following up on those plans, meets this requirement. The project is unusual in that appraisal and expenditure took place almost in parallel in the first year. That said, it is also clear that, despite the complex governance structure which emerged in the wake of the Grow Dublin tourism strategy, Fáilte Ireland and the other relevant bodies always endeavoured to implement the programme effectively and kept DTTaS and other stakeholders up to date on a regular basis.

The preparatory work for the 2016 campaign demonstrates an improvement from that of the 2015 campaign. The 2016 brief sets out specific objectives and KPIs with a view to achieving impacts (increased visitor numbers and spend by certain tourists in Dublin at certain times), and data collection and analysis follows up on these, though some data gaps related to the fulfilment of objectives remain. Going into the 2017 run of the Grow Dublin campaign this autumn and based on the findings of this In-Depth Check, Fáilte Ireland should aim to continue the good progress made in 2016 to ensure that the programme is fully compliant with the Public Spending Code.

4. Other Quality Assurance Issues

Aside from the in-depth checks, the main quality assurance event which took place in DTTaS during 2016 was the updating of the Common Appraisal Framework (CAF). The CAF provides sector-specific guidance for divisions within the Department and its associated agencies on how to apply the principles of the PSC to programmes and projects. Details of the 2016 update to the CAF are set out below.

4.1 Common Appraisal Framework Update

The Department provides guidelines for the appraisal of transport projects and programmes through the CAF. The guidance is informed by, and works in tandem with, the Public Spending Code as well as international transport appraisal practices and research.

The current appraisal guidance was published by the Department in February 2016. The updated guidance replaces the 2009 iteration entitled 'Guidelines on a Common Appraisal Framework for Transport Projects and Programmes'. The 2016 CAF updates appraisal values for existing parameters and introduces a new parameter of active travel benefits. The 2016 guidance also includes some changes in appraisal process, which reflect requirements from the Public Spending Code.

There is an ongoing programme of work to expand and supplement the CAF. The first tranche, which is expected to be finalised in 2017, will review the feasibility of including parameter values for ambience, journey quality and reliability in travel times. Further work will seek to include Wider Economic Benefits (WEBs) of transport projects and programmes, and the treatment of PPPs in an appraisal context.

Although the parameter values are only relevant for transport projects and programmes, the appraisal methods and processes outlined in the CAF are valid for all projects under DTTaS's remit, including sport and tourism expenditure.

5. Summary and Next Steps

In summary, though a shortened Quality Assurance process has been undertaken this year, on the evidence of the in-depth checks conducted the Department is satisfied that in general both it and its agencies are meeting the obligations set out in the PSC. A number of recommendations have been made with regard to the checks conducted and future projects and programmes should seek to incorporate these to further improve future compliance.

Aside from the in-depth checks, the publication of the updated CAF in 2016 was a significant event in terms of quality assurance for the Department, offering sector-specific guidance on how to apply the principles and guidelines of the PSC.

To date in 2017 a number of important quality assurance projects have been advanced by SRAD. These include the publication in February of the Department's Data Strategy for the period 2017-2019 and the completion of the driver testing service VfM review which is expected to be published by year-end. As discussed in Section 4.1, work is ongoing on updating the CAF while work has commenced on a VfM review of the tourism marketing fund.

As part of DTTaS's commitment to continually improve and ensure that the requirements of the PSC are met in full, SRAD has identified the following areas of work:

- A Quality Assurance review will be conducted in 2018;
- The Department will maintain its other evaluation activities, such as Value for Money Reviews and Focused Policy Assessments, to ensure that the activities of DTTaS and its agencies remain compliant with the PSC;
- SRAD will engage with DPER as part of the review of the PSC, helping to develop updated guidance that reflects the division's applied evaluation experience;
- The findings and recommendations of the three in-depth checks will be recognised and applied by divisions and agencies in the current and future delivery of relevant projects and programmes;
- The Department will maintain an up-to-date version of the Common Appraisal Framework such that all project and programme appraisal continue to be in line with best practice and the PSC;

- SRAD will avail of any external training provided by DPER and will in turn continue to facilitate internal training on the Quality Assurance Process through information sessions and guidance notes to ensure that all divisions, units and agencies are aware of their requirements and obligations. Further appraisal training will also be rolled out to staff; and,
- The Department will evaluate its Quality Assurance process to ensure that it is continually improved and fit for purpose.