



**Cavan County Council**  
**Comhairle Chontae an Chabháin**

## **Quality Assurance Report for 2018**

**Cavan County Council**

**To Be Submitted to the National Oversight and Audit Commission  
(NOAC), In Compliance with the Public Spending Code**

## Certification

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

Signature of Accounting Officer:



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**Mr. Tommy Ryan**  
**Chief Executive**

Date: 25<sup>th</sup> May 2019

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## **1. Introduction**

Cavan County Council in accordance with the National Oversight and Audit Commissions (NOAC) letter dated January 2019 to all Local Authority Chief Executives, has completed this Quality Assurance (QA) Report for the 2018 period as part of its on-going compliance with the Public Spending Code<sup>1</sup> (PSC). The QA Report also adheres to the following guidance document (published in February 2017) and subsequent amendment:-

- **Guidance Document** :-*"Public Spending Code (PSC) Quality Assurance Requirements – A Guidance Note for the Local Government Sector – Version 3"*
- **Amendment to be applied from 2017 onwards**:- An amendment to the above guidance document, with regards the treatment of Capital Grant Schemes for the purpose of the QA exercise, was issued by the National Oversight and Audit Commission (NOAC) in their letter dated February 2018 to all Local Authority Chief Executives.

It is important to note that 2018 is the fifth year in which the QA process has applied in Local Authorities.

*"Circular 13/13<sup>2</sup>: The Public Spending Code: Expenditure Planning, Appraisal & Evaluation in the Irish Public Service - Standard Rules & Procedures"* was issued in September 2013 implementing a comprehensive set of expenditure appraisal, Value for Money requirements and related guidance covering all public expenditure.

The new PSC replaces all previous guidelines, circulars and directions issued in relation to appraisal and Value for Money (VFM) e.g. the Capital Appraisal Guidelines 2005. The Code combines and updates the previous components of the VFM framework and also includes additional modules.

### **1.1 - Quality Assurance Reporting Procedure**

The Public Spending Code requires public bodies to establish an internal, independent, quality assurance procedure involving annual reporting on how organisations are meeting their Public Spending Code obligations. This new Quality Assurance procedure replaces and updates the "spot check" requirements previously laid down in Circular letter dated 15th May 2007. The Public Spending Code ensures that the state achieves value for money in the use of all public funds.

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

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

The Quality Assurance Process contains the following five steps:

1. **Drawing up Inventories of all projects/programmes at different stages of the Project (expenditure) Life Cycle. The four stages of the life cycle are:**
  1. Appraisal,
  2. Planning / Design,
  3. Implementation (Management)
  4. Post –Project / Post Implementation Review

Inventory lists must include all current and capital Projects / Programmes whose expenditure / lifetime cost is above €0.5m. Each of the Projects / Programmes identified must be further categorised under one of the following areas /stages of expenditure for the year under review:

- Expenditure being considered - (Appraisal, Planning)
- Expenditure being incurred - (Management, Monitoring, Evaluation)
- Expenditure that has recently ended - (Review, Evaluation)

The treatment of Capital Grant Schemes within the Project Inventory for 2018 is as follows:

1. Where a Capital Grant Scheme is 50% funded by the local authority and 50% funded by government grant, it should be included as a Capital Grant Scheme and a note should be added beside the inventory item identifying that it is **50% funded by Government Grant**.
2. Where more than 50% of the expenditure is funded by the local authority, the item should also be included as a Capital Grant Scheme and a note should be added beside the item identifying the minority percentage government grant funding. **e.g. Includes 40% funded by Government Grant**.
3. Where more than 50% of the expenditure is funded by government grant, it is to be included with other capital projects expenditure and a note should be added beside the item identifying the minority percentage funding by the local authority. **e.g. Includes 40% funded by Local Authority**.

2. **Publishing summary information on website of all procurements in excess of €10m, whether new, in progress or completed in the year under review.**
3. **Completing checklists in respect of the different areas / stages of expenditure.**  
Seven (7) basic checklists must be completed. These self-assessed estimates provide a self assessment overview of how compliant the organisation has been with the Public Spending Code.

The checklists are informed by the Project Inventory list and the self assessment of compliance can be based on an appropriate sample taken of projects/ programmes whose expenditure are relevant to the particular checklist. The sample could be 5-10% of projects / programmes and the sample should rotate from year to year.

Organisations are asked to estimate their compliance on each item on a 3 point scoring scale:

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

For questions, deemed not relevant, N/A will be entered along with a comment.

These are high level checks that should be readily completed within each organisation. Only one of each checklist per Department/Agency/Local Authority is required. Checklists are not required for each project/programme.

The QA process for verifying the accuracy of responses on the checklist is based on a sample of projects/programmes and is Step 4 of the process.

**4. Carrying out a more in-depth check on a small number of selected projects/programmes.**

The in-depth check looks at a small subset of projects / programmes reported on the Project Inventory list, looking in more detail at the quality of the Appraisal, Planning and / or Implementation stages to make a judgement on whether the work was of an acceptable standard and that they are in compliance with the Public Spending Code.

The value of the projects selected for in depth review each year must follow the criteria set out below:

- **Capital Projects:** Projects selected must represent a minimum of 5% of the total value of all Capital projects on the Project Inventory.
- **Revenue Projects:** Projects selected must represent a minimum of 1% of the total value of all Revenue Projects on the Project Inventory.
- The Same projects should not be selected more than once in a three year period unless it is a follow up to a serious deficiency discovered previously.
- Over a 3-5 year period all stages of the project life cycle and every scale of project should have been included in the in depth check

**5. Completing a summary report for the National Oversight and Audit Commission (NOAC).** The report will be generated as a matter of course through compliance with steps 1-4 above, and must be submitted by the end of May each year.

It includes:-

- The inventory of all projects/programmes above €0.5m,
- The website reference for the publication of procurements above €10m,
- The completed checklists,
- In Dept Checks and reviews
- The Local Authorities judgement on the adequacy of processes given the findings from the in-depth checks and
- The Local Authorities proposals to remedy any discovered inadequacies.

This report fulfils the fifth requirement of the QA Process for Cavan County Council for 2018.

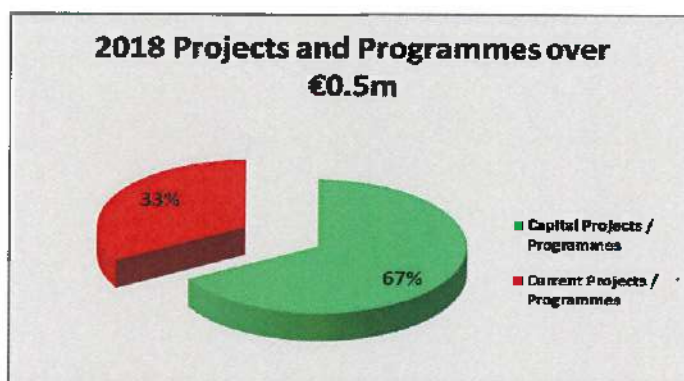
## 2. Expenditure Analysis 2018

### 2.1 - Inventory of Projects/Programmes

Cavan County Councils inventory list identifies projects and programmes at various stages of the project life cycle for 2018 whose expenditure / lifetime cost exceed €0.5m. This inventory is divided between current and capital projects / programmes (incl Capital Grant Schemes) which are further categorised under one of the following relevant areas / stages of expenditure:

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

The Inventory list for 2018, identifies a total number of **87 Projects / Programmes**.  
(**29 Current** and **58 Capital**)



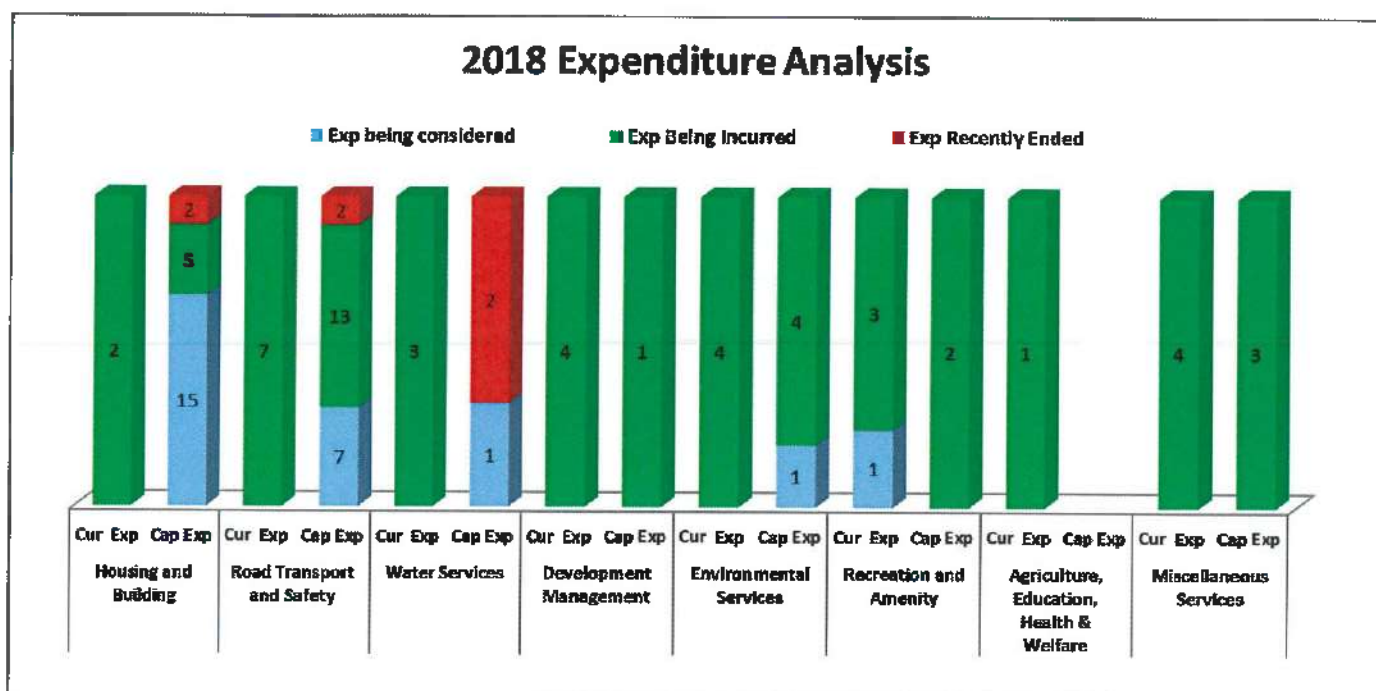
#### For the Purposes of this Report:-

- The Capital Expenditure identified for Projects/Programmes for 2018 refers as follows:-
  - Under expenditure being considered and expenditure being incurred, the expenditure figures shown are the estimated total lifetime cost of the project/programme identified.
  - Under expenditure recently ended, the expenditure figures shown are the actual total lifetime cost of the project/programme identified.
- The Current Expenditure identified for Projects/Programmes for 2018 refers as follows:-
  - Under expenditure being considered, only those projects / programmes whose budgets for 2019 increased by €0.5m or more, in comparison with their 2018 budgets, are included. The expenditure figures shown are the variance figure (the Value of the proposed Increase from 2018 to 2019).
  - Under expenditure being incurred and expenditure recently ended, the expenditure figures shown are the actual expenditure costs for relevant services in 2018 (based on services identified in the AFS for the year under review).



## 2.2 – Summary of Inventory Analysis for 2018

The Chart below identifies the number of current and capital projects / programmes for each Service Division of Cavan County Council whose expenditure / lifetime cost was above €0.5m in 2018, and further divides each under the relevant areas / stages of expenditure.



Full inventory including details of each project / programme are listed in **Appendix 1**. For the purposes of clarity and accuracy the inventory in appendix 1 was compiled using the suggested template provided by the National Oversight and Audit Commission (NOAC) that accompanied their letter dated January 2019 to all Local Authority Chief Executives.

### Expenditure being considered

There were a total of **25** projects / programmes being considered across the various spending and price categories. Housing and Building was the primary area with 15 projects/programmes listed (all between values of €0.5 and €5 million).

### Expenditure being incurred

**56** projects / programmes were identified. Roads Transport and Safety was the primary area with 20 projects/programmes listed (14 between values of €0.5 and €5 million, 5 between €5 and €20 million and 1 listed over €20 million).

### Expenditure that has recently ended

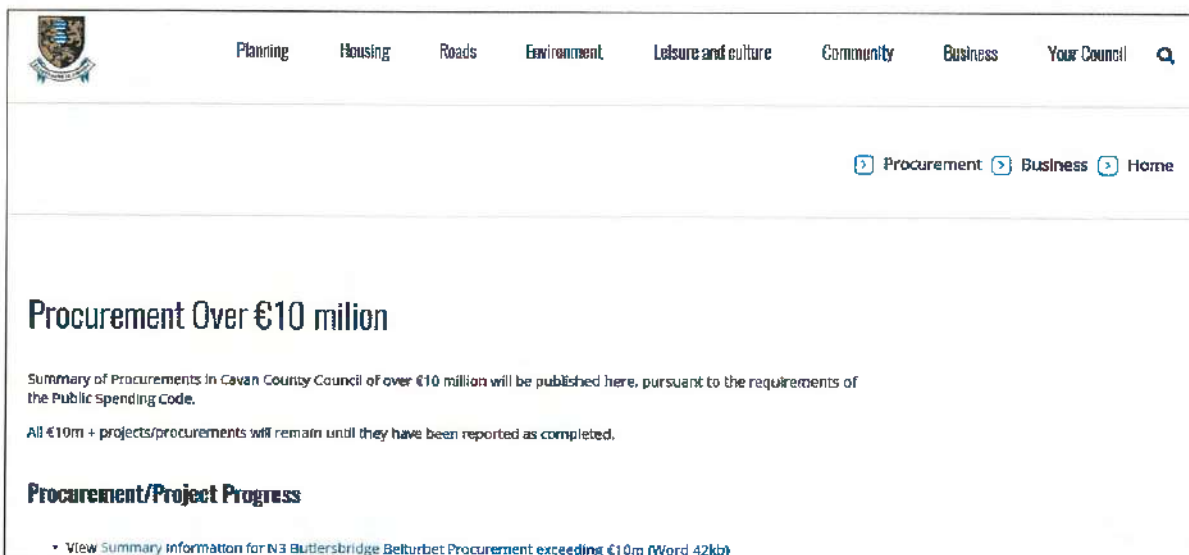
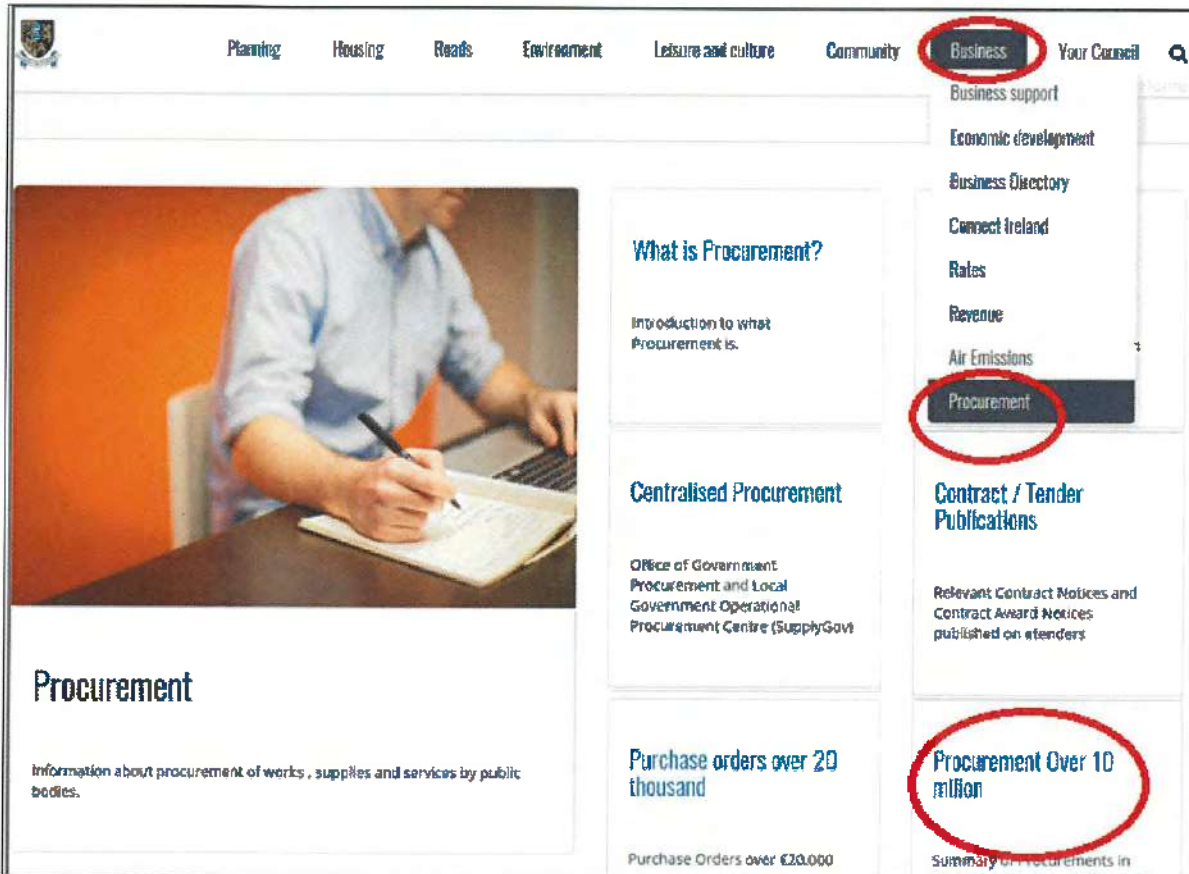
In 2018, **6** projects / programmes ended which incurred expenditure of over €0.5m. 2 projects/programmes came under the area of Housing and Building, 2 from Roads Transport and Safety and 2 from Water Services. All were between values of €0.5 and €5 million.

## 2.3 - Published Summary of Procurements

As part of the Quality Assurance process Cavan County Council has published, summary information on the Council's website of all procurements in excess of €10m. Listed below is the link to this publication page and an illustration of its location. No new procurement in excess of €10m arose in 2018.

### Link to Procurement Publications:

[http://www.cavancoco.ie/Default.aspx?StructureID\\_str=466](http://www.cavancoco.ie/Default.aspx?StructureID_str=466)



Source: [www.cavancoco.ie](http://www.cavancoco.ie)

## **3. Assessment of Compliance**

### **3.1 - Checklist Completion:**

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 a sample of self-assessments carried out within the relevant sections / departments of Cavan County Council in respect of guidelines set out in the Public Spending Code.

There are seven checklists in total:

- **Checklist 1:** General Obligations Not Specific to Individual Projects/Programmes
- **Checklist 2:** Capital Projects or Capital 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

### **3.2 – Procedure used:**

**Checklist 1** - The first checklist captures obligations / good practice that apply to the organisation as a whole. This was completed by the Procurement Officer as Coordinator of the QA Report.

**Checklist 2-7** – Cavan County Council, compiled a full set of checklists for the organisation, based on the sample of individual checklists completed by the relevant sections / departments within Cavan County Council.

In accordance with the current Guidelines mentioned earlier, an appropriate sample of projects / areas of expenditure (as identified in the Inventory list), from relevant sections / departments within Cavan County Council were chosen to help inform the completion of each relevant overall checklist.

### 3.3 - Choosing appropriate Samples

The Councils total inventory list - expenditure figure for 2018 = €503,481,249.51

The following 18 samples were chosen representing 32% of this total expenditure.

a) **Current Expenditure** - Total Current Expenditure identified = € 59,150,931.51

The following 9 service types were selected from the 29 identified in the inventory list for 2018. These account for 27% of the total current expenditure identified. To achieve a greater spread of sample, a Service Type under expenditure type 1 was chosen and one Service Type from each relevant Service Division was chosen under expenditure type 2. **Note:-** No Current Expenditure Projects/Programmes ended in 2018.

#### Current Expenditure Being Considered

Service Division	Expenditure Type	Service Type	Increase in Proposed Exp from 2018 Budget to 2019 Budget
Division F-Recreation and Amenity	1	Level of Increase proposed for 2019 service cost - F04 - Community Sport and Recreational Development	€665,346.00

#### Current Expenditure Being Incurred

Service Division	Expenditure Type	Service Type	Service (Current) Expenditure
Division A-Housing and Building	2	A07 - RAS Programme	€4,479,563.81
Division B-Road Transport & Safety	2	B05 - Public Lighting	€633,121.96
Division C-Water Services	2	C01 - Water Supply	€2,219,130.08
Division D-Development Management	2	D06 - Community and Enterprise Function	€2,972,084.55
Division E-Environmental Services	2	E01 - Landfill Operation and Aftercare	€572,983.03
Division F-Recreation and Amenity	2	F05 - Operation of Arts Programme	€1,588,320.67
Division G-Agriculture, Education, Health & Welfare	2	G04 - Veterinary Service	€519,962.97
Division H-Miscellaneous Services	2	H03 - Administration of Rates	€2,422,755.86

Expenditure Type :- 1 = Being Considered, 2 = Being Incurred, 3 = Recently Ended

**b) Capital Expenditure - Total Capital Expenditure identified = €444,330,318.00**

The following 9 Capital Projects were selected from the 58 identified in the inventory list for 2018. These account for 33% of the total capital expenditure identified. To achieve a greater spread of sample, a minimum of 3 samples from each expenditure type was chosen.

Service Division	Expenditure Type	Project/ Programme Description	Capital Expenditure
Division B-Road Transport & Safety	1	East West Road (Dundalk to Sligo) SRLR Scheme	€127,300,000.00
Division C-Water Services	1	31200755 - 2019 - 2021 Multi - Annual Rural Water Capital Allocation Programme	€6,963,849.00
Division E-Environmental Services	1	Remedial Works on Closed Landfill Sites	€1,200,000.00
Division A-Housing and Building	2	11502295 - Ballyhaise - Construction of 8 Units	€1,839,545.00
Division B-Road Transport & Safety	2	2221155D - N55 Moynehall to North Ballinagh	€838,658.00
Division D-Development Management	2	43400013 - Digital Hub	€900,000.00
Division A-Housing and Building	3	House Purchases 2016	€3,621,443.00
Division B-Road Transport & Safety	3	Cavan Bridges Rehabilitations 2015 22100016 - Virginia Bridge 22100017 - Beaghy Bridge 22100018 - Billis Bridge 22200015 - Drumconra Bridge 22200016 - Claddagh Bridge 22200017 - Borim Bridge 22200018 - Doon Bridge 22200019 - Derryginny Bridge 22200020 - Killycrin Bridge	€3,504,114.00
Division C-Water Services	3	31202220 - Capital Replacement Fund Grant Aid - Group Water Schemes 2008-2018	€594,844.00

**Expenditure Type :- 1 = Being Considered, 2 = Being Incurred, 3 = Recently Ended**

### 3.4. – Checklist Results:

The full set of checklists for Cavan County Council is set out 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 3 point scoring scale – 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, or 3 = Broadly Compliant. For questions, deemed not relevant, N/A is entered along with a comment.

### **3.5 - Main Issues Arising from Checklist Assessment**

The completed check lists show the extent to which Cavan County Council believes it complies with the Public Spending Code. Overall, the checklists show a good level of compliance with the Code.

Cavan County Councils set of checklists takes an overview of expenditure covering the organisation as a whole. A sample of individual checklists from relevant sections / departments within Cavan County Council have informed the completion of the Councils overall checklists.

The following are the **main issues arising from the relevant checklist:-**

#### **3.5.1 General Obligations:-**

- a) Checklist 1 – General Obligations:** - 2018 is the fifth year of the Public Spending Code. No training provided to Local Government in 2018. However, the Checklist demonstrates good staff awareness and the Councils continued commitment to adhering to the Public Spending Code. Training is vital and would help improve Post Project Review practices. The need for training has been raised previously with the LGMA.

#### **3.5.2 Expenditure being considered:-**

- a) Checklist 2 – Capital Expenditure:** - 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 complying with the relevant Sanctioning Authorities requirements.
  
- b) Checklist 3 - Current Expenditure:** - The only projects and programmes identified under Current Expenditure “Being Considered” are those where there is an increase in variances of €0.5m or more in budget items for 2019 versus 2018. The Checklist for Current Expenditure “Being Considered” suggests a good level of compliance with the PSC through appraisal (assessed as part of the Budgetary Process) clear objectives, procurement, and complying with the relevant Sanctioning Authorities requirements.

### **3.5.3 Expenditure being incurred:-**

- a) Checklist 4 – Capital Expenditure:** - Good levels of compliance are evident, with regards, seeking approvals, appointment of Project / Programme Managers, regular communication with relevant Sanctioning Authority, conducting meetings and issuing reports.
  
- b) Checklist 5 – Current Expenditure:** - The services identified are primarily rolling year to year. Services provided are statutory functions of the Local Authority and therefore have strict rules and regulations that must be complied with. The checklist provides good evidence of compliance with regards clear objectives, outputs and outcomes as identified in various Legislation, Regulations, Schemes, Programmes, Licences, SLA's, Plans, Financial Records, Service Indicators, KPI's, and relevant Sanctioning Authority Returns etc.

### **3.5.4 Expenditure that has recently ended**

- a) Checklist 6 – Capital Expenditure:** - It is evident that Post Project Reviews are undertaken on an ongoing basis or as and when required. The format for recording such reviews varies and may take place at different intervals as and when required by the project / programme. Where possible, practices are amended in view of lessons learned.
  
- b) Checklist 7 Current Expenditure:** - No current expenditure programmes were ended in 2018.

### **3.6 - In-Depth Checks**

This section details the in-depth checks which were carried out by Cavan County Councils Internal Auditor as part of the Public Spending Code.

The Quality Assurance Guidelines – version 3, required closer examination of projects / programmes identified in the Inventory List for the year under review to be undertaken. It stipulates that Capital projects / programmes selected must represent at least 5% of the total value of all Capital projects / programmes identified in the Inventory list and Current projects / programmes selected must represent at least 1% of the total value of all Current (revenue) projects / programmes identified in the Inventory list.

For 2018 - The Internal Auditor selected One Current (revenue) Programme and one Capital Project for further in-depth checks. A summary of each is detailed below and the full in-depth checks as laid out in the prescribed forms, are set out in **Appendix 4**.

#### **Current (revenue) Programme Selected –**

##### **1. B05 - Public Lighting - Total Expenditure Value €633,121.96**

This represents 1% of the total value of all Current (revenue) projects / programmes identified in the Inventory list for 2018.

#### **Capital Projects Selected –**

##### **1. East West Road (Dundalk to Sligo) SRLR Scheme - Total estimated lifetime cost = €127,300,000.00**

The Capital Project represents 29% of the total value of all Capital projects / programmes identified in the Inventory list for 2018.



**3.6.1 B05 – Public Lighting – Current (revenue) Programme –  
Expenditure Type – Being Incurred**

**Summary of In-Depth Check-**

The following section presents a summary of the findings of this in-depth Check on the **Public Lighting in County Cavan**.

**Summary of In-Depth Check:** Under section 4 of the Quality Assurance provisions contained in the Public Spending Code Cavan County Council is required to carry out an in-depth review on a minimum of 1% of the total value of all Revenue Projects on the PSC inventory list, averaged over a three-year period. In line with this requirement an in-depth review of the Council's Public Light Programme - Revenue Code B0501 was undertaken. The current expenditure value of this programme for 2018 was €633,121.96 which represents approximately 1% of the total value of Cavan County Council PSC Revenue Projects of €59,150,931.51.

The programme sits within the category Revenue "*Current expenditure being incurred*". The Public Lighting budget is approved annually as part of the overall revenue budget process. Contracts were procured through the OGP and are currently in place for energy usage on the Public lights. The maintenance contract was procured by Louth Co Council on behalf of the Cavan, Monaghan and Louth region but each Local Authority is responsible for the contracts relating to their functional area. The operation and maintenance of the public lighting programme is managed through a computer management system known as "*Deadsure*". This system shows all public lights in the County, records all faults reported and tracks the progress of the repairs. It provides various relevant reports for Staff when required. The Engineers in Roads Administration Section also keeps quality records on spreadsheets and reconciles and approves the contractor invoices before payment. However some miscoding in Agresso Milestone was noted and care should be taken to ensure accuracy in the future.

Based on the findings of this In-Depth Review some minor recommendations agreed with the Roads Depts of the Council where possible improvements could be made:

- From a financial accounting prospective to ensure all Public Lighting Expenditure should be allocated to Service Sub Division No B0501
- To review the % breakdown of the monthly energy charges allocated to the relevant jobs as the current % of expenditure applied seem to be somewhat dated.
- A New Service Level Agreement should be entered to re the "*Deadsure*" Energy Faults Reporting System as the current contract is dated 16th March 2009. The OPG should consider establishing a National Framework Agreement in this regard given that most local authorities, if not all, appear to be very much dependant on this system for recording faults and repairs.

On completion of the In-depth review of the Cavan County Council Public Lighting Programme B05, Internal Audit has formed the opinion that this Revenue Expenditure Programme appears to be **broadly/substantially compliant** with the relevant requirements of the Public Spending Code.

### 3.6.2 East West Road (Dundalk to Sligo) SRLR Scheme – Capital Project – Expenditure Type – Being Considered

#### Summary of In-Depth Check:-

The following section presents a summary of the findings of this In-Depth Check on the Proposed East West Road (Dundalk to Sligo) SRLR Scheme.

**Summary of In-Depth Check:** Under section 4 of the Quality Assurance provisions contained in the Public Spending Code Cavan County Council is required to carry out an in-depth review on a minimum of 5% of the total value of all Capital Projects on the PSC inventory list, averaged over a 3-year period. In line with this requirement an in-depth review was undertaken on Proposed East West Road (Dundalk to Sligo) SRLR Scheme which is currently under consideration by the Roads & Infrastructure Dept of the Council as the Lead Authority. On drafting the inventory list for 2018 the estimated lifetime value of this proposed capital project for Cavan County Council is €127.3 million which represents approximately 29% of the total value of Cavan County Council's PSC Capital Projects of €444,330,318.00.

The prime aim of this road enhancement scheme which is currently on the capital project inventory list as under consideration is to enhance the road infrastructure along the Dundalk Carrickmacross and Cavan Route. This project is considered as a key element in the development and maintenance of rural towns, local industries, employment, agriculture and tourism in the northern region of the county. In terms the strategic importance of the proposed scheme is extremely important given the current economic environment and the impact that Brexit may have on the border counties including Cavan, Louth and Monaghan. This route directly links the N3 to the N2 and M1 and the proposed upgrade should improve linkages from the Gateway of Dundalk to the hub towns of Cavan and Monaghan and the interregional Gateway town of Enniskillen. Should the proposed works come to fruition it should improve access to the Dublin Belfast economic corridor from the above major town and also the other growing centres of populations in the region. It is envisaged that counties Cavan, Louth & Monaghan will benefit greatly from the improved roads network. A steering committee was established with Cavan Local Authority nominated as the Lead Authority.

The proposed scheme was initially appraised in 2001/2002 but was put on hold by the Dept due to funding constraints. Following subsequent representations in 2007/2008 the Dept gave the approval to undertake a further appraisal of the proposed scheme. Additional studies were carried out between 2010-2014 by the newly appointed appraisal consultants but once again advancement of the project was curtailed by the Dept in 2015. With Brexit looming in 2018 there was a renewed emphasis placed on the proposed upgrade of East West Road (Dundalk to Sligo). On behalf of the Project Steering Committee Cavan County Council had ongoing discussion with the Dept on the future of the project. In Sept 2018 the Dept gave approval to undertake additional studies to substantiate the necessity for the proposed new East West Northern Route considering the current economic environment and the impact that Brexit would have on the border counties of Cavan, Louth & Monaghan. Subsequently in Oct 2018 the consultants Roughan & O'Donovan prepared a Preliminary Multi- Criteria Analysis on the proposed project. If the proposed scheme was approved by the Dept the vision is that the Scheme would commence works in 2021 with an estimated completion date set for 2031.

Based on the evidence provided the Project Appraisal Phase of this scheme appears to have been carried out in accordance Public Spending Code Regulations and Project Management Guidelines. The project is still only being considered with ongoing appraisal works taking place. In order for the scheme to progress any further the necessary approval is required from DTTAS. The future of the scheme is very much dependent on Dept approval. The estimated lifetime cost of the proposed Capital Project for Cavan County Council's element of the scheme is €127.3 million.

Based on findings of the in-depth review on the proposed East West Road (Dundalk to Sligo) SRLR Scheme, Internal Audit is of the opinion that Cavan County Council appears to be **broadly (Substantial) compliant** with the relevant requirements of the Public Spending Code.

## 4. Next Steps: Addressing Quality Assurance Issues

Through the completion of this Quality Assurance (QA) report, Cavan County Council is satisfied that it is meeting the obligations set out in the Public Spending Code. Assurances have been collated, by sampling various projects / programmes, by conducting in-dept checks and from signed letters/Memos of assurance of compliance with the Public Spending Code submitted by each Head of Section / Department.

The completion of the five steps of the QA Process is very important and the process will continue to be embedded in to how Cavan County Council conducts its business. However this report must again note that the QA process is extremely time consuming and can take up to 2 months or more from start to finish, requiring a significant co-ordination task in terms of liaising with all relevant sections / departments within Cavan County Council and collating of relevant information for the inventories and the checklists. This report again points out that since the implementation of the Public Spending Code with Local Authorities, back in 2014, the administrative burden of the QA process has not eased over time as had been expected.

This report again recommends that due consideration should be taken by DPER with regards the roll out of a national training programme by the relevant authorities to all Council Officials bound by the Regulations of the Public Spending Code. Staff training on the public spending code is key to ensure greater understanding, proper compliance and best practices with regards file and record management. Staff training could also assist in easing the administrative burden of the QA process.

As discussed in Section 3, in-depth checks were carried out on one Capital Project and one Current (Revenue) Programme. These in-depth checks were useful in enabling the Council's internal auditor to develop his own independent opinion on the Council's compliance with the Public Spending Code. Given the outcome of the in-depth reviews undertaken, the Internal Auditors opinion is that Cavan County Council is **broadly (Substantial) compliant** (see Appendix 3) with the relevant requirements of the Public Spending Code.

Going forward, It is envisaged that the 5 steps of the Quality Assurance element of the PSC will continue to be coordinated by the Procurement Officer with in-depth checks being undertaken by the Internal Auditor. It is also recommended that the Quality Assurance report continue to be published on the Council's website.

Finally, as not all Sections / Departments will be subject to in-depth checks, Letters/Memos of assurance of compliance with the Public Spending Code will continue to be sought annually from the Heads of each Section / Department. This will provide a basic level of comfort to the Chief Executive and Head of Finance with regard to each sections compliance with the Code.

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

1. Staff Training on the Public Spending Code is vitally important and therefore required.
2. Where existing spot check programmes are in place, they should continue in so far as possible by the Internal Auditor, and where applicable will be reported in the QA report for the relevant year.
3. Inventory will be updated annually and sample checklists will be required for various spend.
4. In depth Checks will be carried out as per the Public Spending Code.
5. Letters/Memo of assurance of compliance with the Public Spending Code will continue to be sought annually from the Heads of each Section / Department.
6. The Quality Assurance Report will be published on the Councils Web site.

## **5. Conclusion**

The inventory outlined in this report clearly lists the current and capital expenditure for the 2018 period that is being considered, being incurred, and that has recently ended. Cavan County Council has and will continue to publish details of all procurements in excess of €10 million on its website as and when they arise. No new procurements in excess of €10 million arose in 2018.

The checklists completed by Cavan County Council show a high level of compliance with the Public Spending Code. The in-depth checks carried out on a selection of projects / programmes revealed no major issues which would cast doubt on the Councils compliance with the Code.

This QA report has again identified a number of areas where assurance compliance is being met. These will continue to be monitored and where improvements can be made, they will be addressed accordingly. Training is crucial, and it is acknowledged that national training from relevant Government Departments has yet to be rolled out to all relevant Local Authority staff. Cavan County Council has previously raised the issue of Training with the LGMA and will continue to seek same in order to ensure proper compliance with the Public Spending Code.

# **Appendix 1**

## **Cavan County Council**

### **2018 Inventory of Projects and Programmes over €0.5m**

The following 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

Local Authority	Expenditure being considered			Expenditure being incurred			Expenditure recently ended		Notes
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital €5 - €20m €20m plus	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	
Cavan County Council									
<b>Cavan County Council</b>									
<b>Housing &amp; Building</b>									
2018 Allocation - Housing Adaptation Grant Schemes For Older People and People with a Disability (Private Dwellings)									
House Purchases 2016									20% funded by the Local Authority
House Purchases 2017								€1,587,855.00	100% funded by Government Grant
House Purchases 2018		€2,541,550.00				€2,724,192.00			100% funded by Government Grant
House Purchases 2019		€4,500,000.00							100% funded by Government Grant
House Purchases 2020		€2,500,000.00							100% funded by Government Grant
Energy Retrofit Programme 2016									100% funded by Government Grant
Energy Retrofit Programme 2019		€565,000.00				€1,700,000.00			100% funded by Government Grant
Energy Retrofit Programme 2020		€500,000.00							100% funded by Government Grant
Voluntary Housing Capital Scheme 2018		€500,000.00							100% funded by Government Grant
Voluntary Housing Capital Scheme 2019		€500,000.00							100% funded by Government Grant
Voluntary Housing Capital Scheme 2020		€500,000.00							100% funded by Government Grant
11502295 - Ballyhaise - Construction of 8 Units						€1,839,545.00			100% funded by Government Grant
11506438 - Mullagh- Construction of 8 Units						€1,330,379.00			100% funded by Government Grant

Local Authority	Expenditure being considered			Expenditure being incurred			Expenditure recently ended			Notes
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	
Cavan County Council										
Cavan County Council										
Housing & Building (Condt)										
11506429 - Butlersbridge Construction of 4 Units							€623,236.00			100% funded by Government Grant
11506517 - St Brigid's Terrace Cavan - Construction of 15 Units.			€900,000.00							100% funded by Government Grant
11506509 - Corstruce Ballinagh - Construction of 4 Units			€700,000.00							100% funded by Government Grant
2019 Allocation - Housing Adaptation Grant Schemes For Older People and People with a Disability (Private Dwellings)			€1,497,292.00							20% funded by the Local Authority
11506236 - Butlersbridge - Main Street - Construction of 6 Units			€1,074,737.00							100% funded by Government Grant
11506417 - Mullagh- Construction of 16 Units			€3,202,541.00							100% funded by Government Grant
Bramble Lane Cavan - Construction of 19 Units.			€3,750,000.00							100% funded by Government Grant
Elm Grove Cavan - Construction of 16 Units.			€1,000,000.00							100% funded by Government Grant
A01 - Maintenance & Improvement of LA Housing Units				€2,432,499.00						
A07 - RAS Programme				€4,479,563.81						

Local Authority	Expenditure being considered			Expenditure being incurred			Expenditure recently ended			Notes
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital €5 - €20m €20m plus	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	
Cavan County Council										
<b>Cavan County Council</b>										
<b>Road Transportation and Safety</b>										
2211N3J - N3 Virginia Main Street Safety Scheme							€1,500,000.00			100% funded by Government Grant
22100010 - Butlersbridge/Belturbet							€51,000,000.00			100% funded by Government Grant
22211550 - N55 - Corduff To South Of Killydoon - Section A							€11,409,422.00			100% funded by Government Grant
22211551 - Dundavan Mulaghoran Realignment Scheme - N55							€7,897,667.00			100% funded by Government Grant
<b>Cavan Bridges</b>										
<b>Rehabilitations 2015</b>										
22100016-Virginia Bridge										
22100017- Beaghy Bridge										
22100018 - Billis Bridge										
22200015 - Drumconra Bridge										
22200016- Claddagh Bridge										
22200017 - Borim Bridge										
22200018 - Doon Bridge										
22200019 - Derryginny Bridge										
22200020-Killycrin Bridge										
221000N3 - N3 Raheelagh to Kilmore Roundabout Pavement Overlay									€3,504,114.00	100% funded by Government Grant
2211N3M - N3 Virginia to Maghera Realignment									€1,612,326.00	100% funded by Government Grant
2211N3L - N3 Dublin Road Roundabout							€18,000,000.00			100% funded by Government Grant
							€3,500,000.00			100% funded by Government Grant



Local Authority	Expenditure being considered			Expenditure being incurred		Expenditure recently ended		Notes
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital €0.5 - €5m      €5 - €20m      €20m plus	Current Expenditure	> €0.5m Capital Grant Schemes	Current Expenditure	> €0.5m Capital Grant Schemes	
Cavan County Council			Capital Projects					
<b>Cavan County Council</b>								
<b>Road Transportation and Safety (Condt)</b>								
2221155C - N55 - Corduff To South Of Killydoon - Section B						€18,811,019.00		100% funded by Government Grant
221001N3 - N3 Cornaslieve to North of Virginia						€1,400,000.00		100% funded by Government Grant
2221155D - N55 Moynehall to North Ballinagh						€338,658.00		100% funded by Government Grant
N3 Virginia Bypass								100% funded by Government Grant
2220N87C - N87 - Swanlinbar						€1,115,072.00		100% funded by Government Grant
2220N879 - N87 Gorthullaghan						€750,765.00		100% funded by Government Grant
2220N87A - N87 Killyneary						€641,868.00		100% funded by Government Grant
2220N87B - N87 Ballyconnell to Snugborough						€1,293,066.00		100% funded by Government Grant
East West Road (Dundalk to Sligo) SRLR Scheme								100% funded by Government Grant
Virginia - Ballyjamesduff (Blackwater Bridge upgrade)		€600,000.00						100% funded by Government Grant
N3 Lisgrea Pavement Overlay		€800,000.00						100% funded by Government Grant
N16 Blacklion West Pavement Overlay		€1,900,000.00						100% funded by Government Grant

Local Authority	Expenditure being considered			Expenditure being incurred			Expenditure recently ended			Notes
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Capital Projects €0.5 - €5m €5 - €20m €20m plus	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	
Cavan County Council										
Cavan County Council										
Road Transportation and Safety (Condt)										
N55 Ballinagh Town Pavement Overlay			€1,000,000.00							100% funded by Government Grant
N55 North of Moynehall - N3			€1,750,000.00							100% funded by Government Grant
B01 - NP Road - Maintenance and Improvement						€1,593,718.89				
B02 - NS Road - Maintenance and Improvement						€557,770.15				
B03 - Regional Road - Maintenance and Improvement						€4,345,463.93				
B04 - Local Road - Maintenance and Improvement						€12,497,159.75				
B05 - Public Lighting						€633,121.96				
B09 - Car Parking						€556,275.08				
B11 - Agency & Recoupable Services						€1,121,968.84				

Local Authority	Expenditure being considered			Expenditure being incurred		Expenditure recently ended		Notes
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	
Cavan County Council		€0.5 - €5m	€5 - €20m	€20m plus				
<b>Cavan County Council</b>								
<b>Water Services</b>								
31202220 - Capital Replacement Fund Grant Aid - Group Water Schemes 2008-2018								100% funded by Government Grant
31200755 - 2016 - 2018 Multi - Annual Rural Water Capital Allocation Programme								100% funded by Government Grant
31200755 - 2019 - 2021 Multi - Annual Rural Water Capital Allocation Programme			€6,963,849.00					100% funded by Government Grant
C01 - Water Supply								
C02 - Waste Water Treatment						€2,219,130.08		
C05 - Admin of Group and Private Installations						€1,600,362.02		
<b>Development Management</b>						€3,696,150.37		
43400013 - Digital Hub								33% funded by the Local Authority
D02 - Development Management						€900,000.00		
D05-Tourism Development and Promotion						€882,400.63		
D06 - Community and Enterprise Function						€546,970.72		
D09 - Economic Development and Promotion						€2,972,084.55		
						€1,579,587.41		

Local Authority	Expenditure being considered			Expenditure being incurred		Expenditure recently ended		Notes
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital €0.5 - €5m    €5 - €20m    €20m plus	Current Expenditure	> €0.5m Capital Grant Schemes	Current Expenditure	> €0.5m Capital Grant Schemes	
Cavan County Council								
<b>Cavan County Council</b>								
<b>Environmental Services</b>								
54202053 - Virginia New Fire Station						€1,700,000.00		100% funded by Government Grant
Ballyjamesduff Fire Station						€1,200,000.00		100% funded by Government Grant
51202037 - Corranure Cell 4 Development						€1,100,013.00		100% funded by Government Grant
Remedial Works on Closed Landfill Sites		€1,200,000.00						100% funded by the Local Authority
Contingency Fund for Corranure Landfill 2017-2019					€1,200,000.00			100% funded by the Local Authority
E01 - Landfill Operation and Aftercare				€572,983.03				
E07 - Waste Regulations, Monitoring and Enforcement				€562,375.78				
E11 - Operation of Fire Service				€4,204,566.71				
E13 - Water Quality, Air and Noise Pollution				€525,431.82				
<b>Recreation and Amenity</b>								
62201701 - Virginia Library						€3,543,147.00		100% funded by Government Grant
64820010 - Ballyconnell to Ballyheady Outdoor Recreation Trail.						€746,637.00		20% funded by the Local Authority

Local Authority	Expenditure being considered			Expenditure being incurred		Expenditure recently ended		Notes
	Current > €0.5m	Capital Grant Schemes > €0.5m	Capital Projects	Current Expenditure	> €0.5m Capital Grant Schemes	Capital Projects	Current Expenditure	
Cavan County Council		€0.5m	€5 - €20m	€20m plus				
<b>Cavan County Council</b>								
<b>Recreation and Amenity (Condt)</b>								
Level of increase proposed for 2019 service cost - F04 - Community Sport and Recreational Development	€665,346.00							
F02 - Operation of Library and Archival Service					€1,923,706.20			
F04 - Community Sport and Recreational Development					€1,436,353.85			
F05 - Operation of Arts Programme					€1,588,320.67			
<b>Agriculture, Education, Health and Welfare</b>								
G04 - Veterinary Service					€519,962.97			
<b>Miscellaneous Services</b>								
85001695 - Capital Town Hall Refurbishment						€1,750,000.00		43% funded by the Local Authority
88800023-Refurbishment Engineers Offices Farnham Street Cavan						€2,500,000.00		100% funded by the Local Authority
81101731 and 11506485 - Cootehill Business Park						€1,156,232.00		25% funded by the Local Authority
H03 - Administration of Rates					€2,422,755.86			
H09-LocalRepresentation & Civic Leadership					€772,432.01			
H10 - Motor Taxation					€506,904.05			
H11 - Agency & Recoupable Services					€1,735,565.37			

## **Appendix 2**

### **All Self-Assessment Checklists (1 – 7)**

**For 2018**

**Cavan County Council**  
**Checklist 1 – To be completed in respect of general obligations not specific to individual projects/programmes**

General Obligations not specific to individual projects / programmes	Self-Assessed Compliance Rating: 1 - 3	Discussion/Action Required
1.1 Does the local authority ensure, on an on-going basis, that appropriate people within the authority and its agencies are aware of the requirements of the Public Spending Code (incl. through training)?	3	All relevant staff & agencies are notified of their obligations under the PSC, and each Head of Section is required to confirm their compliance by completing an Annual Assurance of Compliance form.
1.2 Has training on the Public Spending Code been provided to relevant staff within the authority?	2	2018 is the 5 <sup>th</sup> year of the PSC in Local Government. No Dept Training was provided for Local Government sector in 2018. However, the PSC, the QA guidance (version 3) & the relevant changes for 2018 were circulated to all relevant staff & they were instructed & advised on same.
1.3 Has the Public Spending Code been adapted for the type of project/programme that your local authority is responsible for? I.e., have adapted sectoral guidelines been developed?	3	Where applicable the PSC is adapted, and each Head of Section is required to confirm their compliance by completing an Annual Assurance of Compliance form.
1.4 Has the local authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	3	Yes - each Head of Section is required to confirm their compliance with same in completing an Annual Assurance of Compliance form.
1.5 Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the local authority and to agencies?	3	Yes - Quality Assurance (QA) exercises and additional Internal Auditor spot checks (on services), reports & recommendations have been sent to relevant Sections for review & application.
1.6 Have recommendations from previous QA reports been acted upon?	3	Yes – Internal Auditor still conducts Spot checks outside of the PSC. Inventory list updated Annually & Assurance of compliance with the PSC sought on an annual basis from the heads of each Section / Departments / Agency
1.7 Has an annual Public Spending Code QA report been certified by the local authority's Chief Executive, submitted to NOAC and published on the authority's website?	3	Yes – QA Report has been certified by the Chief Executive, submitted to NOAC and published on the authority's website
1.8 Was the required sample of projects / programmes subjected to in-depth checking as per step 4 of the QAP?	3	Yes - Required Sample reviewed
1.9 Is there a process in place to plan for ex post evaluations / Post Project Reviews? - <b>Ex-post evaluation is conducted after a certain period has passed since the completion of a target project with emphasis on the effectiveness and sustainability of the project.</b>	2	Yes – Where Post Project evaluations are part of the process, close out reports, and post project annual progress reports are submitted to the relevant Sanctioning Authority as and when required.
1.10 How many formal Post Project Review evaluations have been completed in the year under review? Have they been issued promptly to the relevant stakeholders / published in a timely manner?	3	5 out of the 6 projects/programmes that ended in 2018 (equating to 70% of exp that ended) had a post project review carried out e.g. In depth reviews under previous QA Reports, verifying Housing improvement Works before releasing any grant aid payment, Annual post progress reports, End of year claims and Dept returns, final/end of year financial reports, close out reports etc
1.11 Is there a process to follow up on the recommendations of previous evaluations /Post project reviews?	2	While each evaluation/Post Project review is very much project specific, the findings are noted for future consideration.
1.12 How have the recommendations of previous evaluations / post project reviews informed resource allocation decisions?	2	Outcomes and Findings have made staff more aware of the importance of pre-project planning, realistic budgeting and post project assessment.
<b>Self-Assessed Ratings:</b> <b>1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary,</b> <b>3 = Broadly Compliant</b>		

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

Capital Expenditure being Considered – Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
2.1 Was a preliminary appraisal undertaken for all projects > €5m?	3	Yes – where applicable, appraisals were undertaken in the format required by the relevant Sanctioning Authority & sent to them for approval
2.2 Was an appropriate appraisal method used in respect of capital projects or capital programmes/grant schemes?	3	Yes – where applicable appropriate appraisals were conducted in accordance with the relevant Sanctioning Authority guidelines and requirements.
2.3 Was a CBA/CEA completed for all projects exceeding €20m? <b>CBA = Cost Benefit Analysis , CEA = Cost Effectiveness Analysis</b>	3	Yes – where applicable, a CBA was carried out as part of the Appraisal process, in accordance with the relevant Sanctioning Authority guidelines and requirements
2.4 Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes – where applicable, an early appraisal was conducted in accordance with relevant Sanctioning Authority guidelines, to facilitate decision making.
2.5 Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the planning and design phase (e.g. procurement)?	N/A	Not Applicable, However historically where this is a requirement, all necessary approval is sought, & only when approval in principle is granted can the project/programme proceed.
2.6 If a CBA/CEA was required was it submitted to the relevant Department for their views? <b>CBA = Cost Benefit Analysis , CEA = Cost Effectiveness Analysis CEEU = Central Expenditure Evaluation Unit</b>	3	Yes – where applicable the preliminary appraisal stage of the CBA was prepared and submitted to the relevant Sanctioning Authority.
2.7 Were the NDFA consulted for projects costing more than €20m? <b>NDFA = National Development Finance Agency</b>	N/A	Not Applicable
2.8 Were all projects that went forward for tender in line with the Approval in Principle and, if not, was the detailed appraisal revisited and a fresh Approval in Principle granted?	N/A	Not Applicable, however historically where applicable, projects are tendered in line with approvals & relevant requirements.
2.9 Was approval granted to proceed to tender?	N/A	Not Applicable, however historically grant approval is sought prior to tendering.
2.10 Were procurement rules complied with?	N/A	Not Applicable, however historically where applicable, Tenders are carried out in accordance with EU directives & National Guidelines
2.11 Were State Aid rules checked for all supports?	N/A	Not Applicable in Local Government
2.12 Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	N/A	Not Applicable
2.13 Were performance indicators specified for each project/programme that will allow for a robust evaluation at a later date?	N/A	Not Applicable
2.14 Have steps been put in place to gather performance indicator data?	N/A	Not Applicable
<b>Self-Assessed Ratings:</b> 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, 3 = Broadly Compliant		



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

<b>Current Expenditure being Considered – Appraisal and Approval</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
3.1 Were objectives clearly set out?	3	Yes – Projects/programmes have a clear objective.
3.2 Are objectives measurable in quantitative terms?	3	Yes – where applicable as part of proposals/returns to the relevant Sanctioning Authority
3.3 Was a business case, incorporating financial and economic appraisal, prepared for new current expenditure?	3	Yes – submissions are made under the relevant grant programme to the relevant Sanctioning Authority as well as being included in the proposed Current Expenditure assessed as part of the Councils Budgetary Process.
3.4 Was an appropriate appraisal method used?	3	Yes – appraisal methods clearly defined by relevant Sanctioning Authority
3.5 Was an economic appraisal completed for all projects exceeding €20m or an annual spend of €5m over 4 years?	N/A	Not Applicable
3.6 Did the business case include a section on piloting?	N/A	Not Applicable
3.7 Were pilots undertaken for new current spending proposals involving total expenditure of at least €20m over the proposed duration of the programme and a minimum annual expenditure of €5m?	N/A	Not Applicable
3.8 Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	Not Applicable
3.9 Was the pilot formally evaluated and submitted for approval to the relevant Department?	N/A	Not Applicable
3.10 Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	N/A	Not Applicable
3.11 Was the required approval granted?	3	Yes – spend in this area is subject to approval and funding from the relevant sanctioning Authority
3.12 Has a sunset clause (as defined in section B06, 4.2 of the Public Spending Code) been set?	N/A	Not Applicable - The Current Expenditure within the revenue divisional codes and service levels are ongoing. However were applicable Projects/ Programmes that are outsourced have set service delivery periods and end dates.
3.13 If outsourcing was involved were procurement rules complied with?	3	Yes – where applicable, all procurement procedures were carried out in accordance with the relevant procurement rules.
3.14 Were performance indicators specified for each new current expenditure proposal or expansion of existing current expenditure programme which will allow for a robust evaluation at a later date?	3	Yes – performance indicators were completed as required.
3.15 Have steps been put in place to gather performance indicator data?	3	Yes – performance related data is reported back to the relevant Sanctioning Authority as & when required.

**Self-Assessed Ratings:**

1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary,

3 = Broadly Compliant

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

<b>Incurring Capital Expenditure</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
4.1 Was a contract signed and was it in line with the Approval in Principle?	3	Yes – Contracts were signed.
4.2 Did management boards/steering committees meet regularly as agreed?	3	Yes – where applicable, Regular Meetings did take place
4.3 Were programme co-ordinators appointed to co-ordinate implementation?	3	Yes – where applicable either Council Staff co-ordinated implementation or it was outsourced to Consultants etc.
4.4 Were project managers, responsible for delivery, appointed and were the project managers at a suitably senior level for the scale of the project?	3	Yes – the Project Managers appointed were Senior Level Council Staff.
4.5 Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Yes – where applicable regular monitoring and progress reports were carried out in accordance with the relevant Sanctioning Authorities guidelines and requirements.
4.6 Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	Yes – Projects completed were kept within budget.
4.7 Did budgets have to be adjusted?	N/A	Not Applicable, however historically where Budgets need adjusting, it is done in accordance with Management approval & /or with Sanctioning Authorities approval(if necessary)
4.8 Were decisions on changes to budgets / time schedules made promptly?	N/A	Not Applicable, however historically decisions on changes to budgets/time schedules are usually made promptly
4.9 Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence, etc.) <b>CBA = Cost Benefit Analysis , CEA = Cost Effectiveness Analysis</b>	N/A	Not Applicable
4.10 If circumstances did warrant questioning the viability of a project/programme/grant scheme, was the project subjected to adequate examination?	N/A	Not Applicable
4.11 If costs increased was approval received from the Sanctioning Authority?	N/A	Not Applicable, however historically where Budgets need adjusting, it is done in accordance with Management approval & /or with Sanctioning Authorities approval(if necessary)
4.12 Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N/A	Not Applicable
<b>Self-Assessed Ratings:</b> <b>1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, 3 = Broadly Compliant</b>		

**Checklist 5 – To be completed in respect of current expenditure programmes incurring expenditure in the year under review**

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
5.1 Are there clear objectives for all areas of current expenditure?	3	Yes – there are clear objectives defined as part of the Annual Budget process, relevant Grant Schemes & Allocations, SLA's, Annual Work Plans, Strategies, and Statutory Requirements etc.
5.2 Are outputs well defined?	3	Yes – outputs clearly defined in the relevant Statutory Regulations / Acts, Databases, SLA's, Schemes or Programmes, EPA Licences, Annual Service Plans, CE Monthly Reports, and National set Targets/KPI's
5.3 Are outputs quantified on a regular basis?	3	Yes – outputs quantified regularly and reported to the relevant Sanctioning Authority as required e.g. monthly/quarterly/annually.
5.4 Is there a method for monitoring efficiency on an on-going basis?	3	Yes – through various Databases, & depending on the Scheme, Programme, SLA, or Project, various types of Reports, incl Financial/Activity Reports, AFS's, Service Indicators & KPI's are issued to the relevant Sanctioning Authority monthly, quarterly or annually.
5.5 Are outcomes well defined?	3	Yes – through various Statistical Reports, Sanctioning Authority Reports, Road Databases, SLA with Irish Water, EPA Licences, LCDC Reports etc
5.6 Are outcomes quantified on a regular basis?	3	Yes – They are captured in Statistical Reports, Monthly Activity Reports, Monthly CE Reports, SLA's, Post Monitoring Forms, Visitor Numbers to Theatre/Museum etc, and other relevant Sanctioning Authority Returns, Surveys, KPI's etc
5.7 Are unit costings compiled for performance monitoring?	3	Yes – where applicable, unit costings are compiled for Management and in accordance with the relevant Sanctioning Authority Reporting requirements ,Returns, KPI's etc
5.8 Are other data compiled to monitor performance?	3	Yes – where applicable, in Financial Reports (AFS) and various returns to the relevant Sanctioning Authorities as required.
5.9 Is there a method for monitoring effectiveness on an on-going basis?	3	Yes – through Databases, SLA's, Surveys, Audit and Reports from the Financial System, Sanctioning Authority returns & reports, National Service Indicators, Monthly CE Reports, KPI's etc.
5.10 Has the organisation engaged in any other 'evaluation proofing' <sup>3</sup> of programmes/projects?	3	Yes – where applicable, through Databases, Programmes and National Evaluations. In addition to this we have Internal Audits, Local Government Audits, Department Audits. Reports to Sanctioning Authorities, Senior Management and CE Monthly Reports etc.
<b>Self-Assessed Ratings:</b> <b>1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary,</b> <b>3 = Broadly Compliant</b>		

<sup>1</sup> Evaluation proofing involves checking to see if the required data is being collected so that when the time comes a programme/project can be subjected to a robust evaluation. If the data is not being collected, then a plan should be put in place to collect the appropriate indicators to allow for the completion of a robust evaluation down the line.

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

Capital Expenditure Recently Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
6.1 How many post project reviews were completed in the year under review?	3	5 out of the 6 projects/programmes that ended in 2018 (equating to 70% of exp that ended) had a post project review carried out e.g. In depth reviews under previous QA Reports, verifying Housing improvement Works before releasing any grant aid payment, Annual post progress reports, End of year claims and Dept returns, final/end of year financial reports, close out reports etc
6.2 Was a post project review completed for all projects/programmes exceeding €20m?	N/A	N/A
6.3 Was a post project review completed for all capital grant schemes where the scheme both (1) had an annual value in excess of €30m and (2) where scheme duration was five years or more?	N/A	N/A
6.4 Aside from projects over €20m and grant schemes over €30m, was the requirement to review 5% (Value) of all other projects adhered to?	3	5 out of the 6 projects/programmes that ended in 2018 (equating to 70% of exp that ended) had a post project review carried out e.g. In depth reviews under previous QA Reports, verifying Housing improvement Works before releasing any grant aid payment, Annual post progress reports, End of year claims and Dept returns, final/end of year financial reports, close out reports etc
6.5 If sufficient time has not elapsed to allow for a proper assessment, has a post project review been scheduled for a future date?	N/A	Not Applicable, however historically Post Project Reviews are conducted as and when required.
6.6 Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority? (Or other relevant bodies)	N/A	Not Applicable, however historically lessons/issues that arise over the project are communicated back to the Sanctioning Authority for their information and were applicable, end of project feedback is also given.
6.7 Were changes made to practices in light of lessons learned from post-project reviews?	N/A	Not Applicable, however historically were possible, practices are amended in view of lessons learned
6.8 Were project reviews carried out by staffing resources independent of project implementation?	3	Yes – reviews are carried out by either Council Staff or outsourced to Consultants whose role includes managing the project in question.
<b>Self-Assessed Ratings:</b> 1 = Scope for significant improvements, 2 = Compliant but with some improvement necessary, 3 = Broadly Compliant		

**Checklist 7 – To be completed in respect of current expenditure programmes that reached the end of their planned timeframe during the year or were discontinued**

Current Expenditure that (i) reached the end of its planned timeframe or (ii) was discontinued	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
7.1 Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	No programmes relevant to PSC in 2018
7.2 Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes relevant to PSC in 2018
7.3 Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes relevant to PSC in 2018
7.4 Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No programmes relevant to PSC in 2018
7.5 Were any programmes discontinued following a review of a current expenditure programme?	N/A	No programmes relevant to PSC in 2018
7.6 Were reviews carried out by staffing resources independent of project implementation?	N/A	No programmes relevant to PSC in 2018
7.7 Were changes made to the organisation's practices in light of lessons learned from reviews?	N/A	No programmes relevant to PSC in 2018
<b>Self-Assessed Ratings:</b> <b>1</b> = Scope for significant improvements, <b>2</b> = Compliant but with some improvement necessary, <b>3</b> = Broadly Compliant		

## **Appendix 3**

### **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.
	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 it's 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 it's 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.

## **Appendix 4**

### **Quality Assurance - In - Dept Checks and Reviews**



## **Quality Assurance – In Depth Check**

### **Current (Revenue) Programme**

#### **B05 – Public Lighting**

**Quality Assurance – In Depth Check**

**Cavan County Council  
Internal Audit Department**



**Comhairle Contae an Chabháin  
Cavan County Council**

**Public Spending Code for 2018**

**Review on the  
Public Lighting Revenue Code  
(Expenditure being incurred)**

**May 2019**

## Quality Assurance – In Depth Check

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### Section A: Introduction

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

<b>Programme or Project Information Service B05</b>	
<b>Name</b>	Public Lighting
<b>Detail</b>	Provision of Public Lighting in the County
<b>Responsible Body</b>	Cavan County Council
<b>Current Status</b>	Revenue Expenditure being incurred
<b>Start Date</b>	Jan 2018 (Annual)
<b>End Date</b>	Dec 2018 (Annual)
<b>Overall Cost</b>	€633,121.96 as per the Inventory List

### **Project Description**

Cavan County Council is responsible for the provision and maintenance of Public Lighting in the County. At December 2018 there were 6532 Public lights. A budget was approved for 2018 at €666,819.35 inclusive of Central Management Charge at Service level code - B05.

The actual expenditure as per 2018 AFS = €633,121.96 inclusive of Central Management Charge at Service Level code B05.

The breakdown of the expenditure from reports extracted from the Council's Financial Management System - Agresso Milestone 4 for year 2018 are as follows: -

<b>Name</b>	<b>Amount</b>	<b>% of total</b>
Energy / utilities	€459,520.51	73.00%
Repairs / Maintenance	€116,799.08	18.00%
Salaries /Wages	€28,941.72	4.5%
Central Management Charges	€16,841.92	2.6%
Deadsure IT Reporting System Costs	€7,698.18	1.2%
Other Contract Work Costs	€1,163.50	0.3%
Travel & Subsistence	€1,114.82	0.2%
Communication Costs	€1,042.23	0.2%
<b>Total Spend</b>	<b>€633,121.96</b>	<b>100%</b>

<b>Public Lighting Revenue Jobs</b>	<b>Amount</b>	<b>% of Total</b>
21600008 (Regional & Local Roads)	€531,703.32	84%
21200600 (National Secondary Road)	€44,608.53	7%
21600012 (Unfinished Estates)	€8,482.99	1%
21600009 (PL Supports Cost)	€31,485.20	5%
ZB05ZZZZZ (Service Supports Costs)	€16,841.92	3%
<b>Total Spend Per AFS Service B05</b>	<b>€633,121.96</b>	<b>100%</b>

### **Particulars of Cavan County Council's Energy Contract**

The running costs for provision of public lighting energy of Cavan County Cavan was procured through a National Framework run by the OGP. The Minister for Public Expenditure and Reform (The Contracting Authority) invited (RFQ) Request for Tenders to establish a Multi Supplier Framework Agreement for the Supply of Electricity to Public Bodies in Ireland on 25th February 2015. Supplier submissions to the RFQ were made to the OPG on the 8th April 2015.

Subsequently on 20th April 2015 the Contracting Authority and the Supplier entered into a Framework Agreement with the successful supplier.

A request for a Supplementary Tender in accordance with the National Energy Framework Agreement (SRFT) was re-advertised on 11th June 2018

The Supplier (SRFT) responses to the OPG were made on 26th June 2018. Based on the particulars of the current National Energy framework the preferred energy supplier for Cavan County Council was: Energia – Unmetered Energy.

The Current Energy Agreement that the Council entered into applies from 1st Nov 2018 (The Effective Date) and is subject as set out in clause 4, expires 36 months from the effective date on 31st Oct 2021 unless otherwise terminated.

On 01/11/2018 a Goods Contract between Viridian Energy Ltd, T/A Energia and Cavan County Council was signed by the relevant parties.

Also on the same date a Confidential Agreement was signed between the Contractor and the Framework Client - Cavan County Council

### **Public Lighting Maintenance & Repairs Contract**

Maintenance and repairs of the Council's public lighting system is contracted to Airtricity Utility Solution (AUS). The tender for this contract was run by Louth County Council on behalf of Cavan, Monaghan and Louth in 2013. On this basis a contract / agreement between AUS and Cavan County Council was drawn up for two years from 1<sup>st</sup> March 2014 to 1<sup>st</sup> March 2016 and was extended annually for a further two years as per provision in the original contract agreement. On 29th Nov 2017 the renewal of this contract (RQT) was tendered as one package with the related procurement process being administered by Louth County Council on behalf Louth, Cavan and Monaghan County Councils.

The successful contractor's tender submission was made on 24th January 2018. A Tender recommendation was produced by Louth County Council, as the procuring entity. The successful tenderer was invited to sign three separate contracts with each of the three participating county Councils. Each of the three local authorities would manage the particular contracts separately and independently.

The current contract is for a duration of two years with the option to extend the term for periods of up to one year with a maximum of two such extensions permitted. The related tender contains a lump sum figure which is based upon the existing known number of public lighting units which are to be maintained throughout the duration of the contract period. Additional costs will be incurred in the maintenance of additional public lighting units which will be taken in charge during the contract period. Further additional costs will be incurred in respect of maintenance operations where the extent of such maintenance cannot reasonably be predicted. A schedule of rates has been developed to cater for this aspect with nominal amounts used for pricing purposes and tender evaluation. agreements are in place.

On 23/02/2018 a letter of intent was issued by Louth County Council to the Successful Tender i.e. the most economical advantages tender, SSE Airtricity Utility Solutions.

Based on the particulars of successful tender the SEE Asset Management Team of the Roads Dept of the Council issued a recommendation on 08/06/2018 that the tender of SSE Airtricity Utility Solutions Ltd be accepted as the Public Lighting Maintenance Service Contract in the sum of €86,592.50 (Exc. Vat) the lump sum element of the tender, with an estimated additional expenditure of approximately €250,000.00 (Excl. Vat) subject to the terms and conditions set out in the Contract Agreement.

The energy agreement is dated 1st May 2018 to 30th April 2020 and is governed by set terms and conditions as set out in schedule A of the document.

Subsequently on 08/06/2018 a Chief Executive Order No 18/217R was signed by the Director of Service for Roads approving the acceptance of the Agreement. The Agreement was signed by the relevant parties on the same date.

In addition to this Health & Safety Approved Forms (AF1) and (AF2) relation to Regulations 10 and 22 were signed by a Senior Executive Engineer of Cavan County Council and also the Airtricity Utility Solution H & S Project Supervisor / Coordinator.

### **Monitoring of the Maintenance and Faults Repairs to the Public Lighting System**

The “Deadsure” (DS) IT Reporting System is a national system used to manage repairs/faults/upgrades on the Public Lighting System of the Council. This system has been used for a number of years to monitor all faults and energy usage of public lighting nationally. Each local authority pays an annual maintenance fee together with any associated IT upgrade expenses and the necessary training cost for availing of the service. The current service level agreement was signed on behalf of Cavan County Council by a Senior Engineer in the Roads Dept on 16/03/2009. In using the system each month the Roads Engineer responsible for this expenditure inputs the monthly start and end date in the job ticket tab. This filters all job tickets in the previous month one by one which allows an engineer to close out the various maintenance job completed.

Any issues identified in regard to the repairs/faults/upgrade of specific job tickets will remain unclosed until such time as the Council is satisfied with the costing of same.

- Airtricity’s Maintenance Invoice report is downloaded from the Deadsure IT System after the Roads Engineer responsible for monitoring jobs has closed same out. This leaves only tickets for jobs checked and closed to be invoiced which is essential for controlling expenditure.
- All maintenance invoices are individually monitored to ensure that the correct schedule of rates apply. Random sites inspections are undertaken on the ground for verification of the work upgrades and as certification that technical operatives are working on sites as reported.
- There is also a set target of 80 to 100 LED upgrades each month to manage and foresee the future expenditure requirements of the Council. An excel tracker of upgrades is maintained on a monthly basis which includes a new lamp inventory summary. The Senior Engineer in the Roads Dept is kept informed in this regard.

### **Public Lighting Funding**

In 2018 Cavan County Council recouped €110,886.00 from the NRA towards their annual Public Lighting energy costs and the balance was funded from their own Revenue Budget.

**Section B - Step 1: Logic Model Mapping** As part of this In-Depth Check, Roads Dept of the Council in consultation with Internal Audit completed a Programme Logic Model (PLM) for Public Lighting

Objectives	Inputs	Activities	Outputs	Outcome
<p>To provide public lighting in the County in an energy and cost-efficient manner.</p> <p>To ensure all existing public lighting is in good working order.</p> <p>To improve the appearance of areas within the County and assist in the safety of those who reside/travel there.</p>	<p>Dept Funding.</p> <p>Staff resources.</p> <p>Contracts with suppliers for energy and maintenance etc of lights</p> <p>Computer software.</p>	<p>Procure contracts for the following:</p> <p>Maintenance of lights</p> <p>Upgrading of lights</p> <p>Replacement of lights</p> <p>Process payments to contractors and others.</p> <p>Monitor performance.</p>	<p>That Cavan County Council will have adequate public lighting in areas needed.</p> <p>Cavan County Council will have all existing and new Public lighting in good working order.</p> <p>The system should allow easy reporting of lights that are out of order.</p>	<p>Cavan Co Council will have provided an efficient and effective public lighting system.</p> <p>The pedestrians will feel safer.</p> <p>Contribute towards less accidents for road traffic drivers.</p> <p>Cavan County Council can monitor effectiveness and efficiencies of the lighting system via Staff, and Computer systems such as Dead Sure.</p> <p>Illuminated areas will contribute to reduced anti-social behaviour.</p> <p>Promotes consumer activity.</p> <p>Supports tourism.</p> <p>Contributes to making the County a better place to live / work / visit.</p>

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

The following section tracks the Project from inception to conclusion in terms of major project/programme milestones. This project falls under the heading “*expenditure being incurred*” for Public Lighting. Public lighting is a continuous annual programme of work and is funded through the Revenue Account.

29th Nov 2017	<b><u>RQT for Maintenance/ Repairs of Pubic Lighting.</u></b> The renewal of this contract was been tendered as one package with the related procurement process being administered by Louth County Council on behalf Louth, Cavan and Monaghan County Council Councils.
23 <sup>rd</sup> Feb 2018	Letter intent issued By Louth County Council to the Successful Tender, the most economical advantages tender SSE Airtricity Utility Solutions.
8 <sup>th</sup> June 2018	08/06/2018 Recommendation by the SEE Asset Management of the Roads Dept of the Council that the tender of SSE Airtricity Utility Solutions Ltd be accepted as the Public Lighting Maintenance Service Contract
8th June 2018	Chief Executive Order No 18/217R signed by the Director of Service for Roads approved the acceptance of the Agreement and the Maintenance Contract was signed by the relevant Parties for the period 1 <sup>st</sup> May 2018 to 30 <sup>th</sup> April 2020
6 <sup>th</sup> July 2018	Public Lighting Maintenance/Repairs Health & Safety Approval Forms (AF2) signed by the relevant parties
11th June 2018	<b><u>(SRFT) Energy Framework</u></b> Request for a Supplementary Tender in accordance with the National Energy Framework Agreement by OPG
26th June 2018	(SRFT) Energy Tender Submissions to OPG
1st Nov 2018	Energy Agreement and Confidential Agreements signed between Viridian Energy Ltd, T/A Energia and Cavan County Council
As necessary	Review the Energy Provider contract and The Public Lighting Maintenance and Repairs Contract
Nov each year Ongoing Monitoring	Annual Revenue Energy Budget is approved by the Council
Monthly / As necessary	Payment of relevant invoices – Energy and Maintenance
Weekly/ Ongoing	Monitor Faults and Repairs Performance via National “ <i>Dead Sure</i> ” IT System



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

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The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Project.

Project/Programme Key Documents	
Title	Details
Annual Budget 2018	Details of the approved amount for Public Lighting for coming year
Provision of Public Lighting Maintenance Service Contracts	Contracts for the maintenance - on file.
Energy Goods Contract with Viridian Ltd, T/A Energia	Contracts for the supply of Public Lighting Energy - on file.
Chief Executive Orders	The CE Order for original maintenance contract is on file. There's a CE Order No 18/374R on file for the new energy contracts entered into by the Council on 1st Nov 2018 with Viridian Ltd, T/A Energia.
Energy and Maintenance Invoices	Invoices from contractors- on file / Agresso Milestone 4
Maintenance Reports	"Deadsure" IT Fault Reports.

## Section B - Step 4: Data Audit

The following section details the data audit carried out for the Project. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
No of Public Lights in the County	Assess if system in place is operating adequately	From Deadsure IT system Corp Asset Section
No of faults picked up by patrols or reported by others	Assess if patrols are being carried and to monitor number of faults.	From Deadsure IT system Corp Asset Section
Timeline between fault report and repair	Assess if delays, reason for them and if necessary review contracts.	From Deadsure IT system Corp Asset Section from Deadsure IT system
Record of Energy usage	Assess energy usage –v- cost Will also assist in budget reviews Assess efficiencies / comparisons	This information is on spreadsheets and is monitored monthly and available in Roads Dept.
Contracts	Ensure contracts are in place and are procured in accordance with legislation, policy and procedures.	In Roads Section of the Council

**Data Availability and Proposed Next Steps:** The Data required for a future evaluation of the project is available in Roads Department of the Council. The Asset Management Computer software “*Deadsure*” manages the public lighting system and reports are available. It keeps an inventory of all lights, tracks faults reported and the progress on repairs. All work carried out by Contractor is recorded on Deadsure. The Engineer in Roads Admin Section also keeps quality information records on spreadsheet that would be useful for future audits. These records are used to reconcile invoice payments to the contractor. Information is available for senior management if required.

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## Section B - Step 5: Key Evaluation Questions

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

The Public lighting system in Cavan County Council is an ongoing annual process. Contracts were procured and are available for inspection. Monitoring is carried out via Deadsure system which produces reports when required. Having discussed the Public lighting process and viewed sample documents it is my opinion that there is compliance with the Public Spending Code.

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

Yes.

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

- In carrying out the in-depth review it was noted that in addition to the €633,121.96 coded to the Public Lighting Expenditure Code Revenue Service B 501 there was a further €85,213.02 charged to a National Primary Roads Job no 21100600 that was linked to Revenue Service Code B0105. For future reference it is recommended that all Public Lighting Expenditure should be code to Service Sub Division No B0501.
- It is also recommended that a be review should be undertaken of the % breakdown of the monthly energy charges allocated to the various jobs as the current % applied seems to be somewhat dated. It may be more appropriate to review same based on the no of lights located on each road / job. Currently 77% of the monthly Energia charges are allocated to Job no 21100600 and 23% is split between to Job 21200600 and Job no 21600008.
- A review of the contract or Service Level Agreement between the Council and IT ARCHITECTURE EUROPE LTD for the "Deadsure" Energy Faults Reporting system should be undertaken as the existing contract is dated 16<sup>th</sup> March 2009. Given that most local authorities, if not all, appear very much dependant on this public lighting maintenance reporting system the OPG should consider establishing a National Framework Agreement in this regard.

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## Section: In-Depth Check Summary

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The following section presents a summary of the findings of this in-depth Check on the **Public Lighting in County Cavan**.

Under section 4 of the Quality Assurance provisions contained in the Public Spending Code Cavan County Council is required to carry out an in-depth review on a minimum of 1% of the total value of all Revenue Projects on the PSC inventory list, averaged over a three-year period. In line with this requirement an in-depth review of the Council's Public Light Programme - Revenue Code B0501 was undertaken. The current expenditure value of this programme for 2018 was €633,121.96 which represents approximately 1% of the total value of Cavan County Council PSC Revenue Projects of €59,150,931.51.

The programme sits within the category Revenue "*Current expenditure being incurred*". The Public Lighting budget is approved annually as part of the overall revenue budget process. Contracts were procured through the OGP and are currently in place for energy usage on the Public lights. The maintenance contract was procured by Louth Co Council on behalf of the Cavan, Monaghan and Louth region but each Local Authority is responsible for the contracts relating to their functional area. The operation and maintenance of the public lighting programme is managed through a computer management system known as "*Deadsure*". This system shows all public lights in the County, records all faults reported and tracks the progress of the repairs. It provides various relevant reports for Staff when required. The Engineers in Roads Administration Section also keeps quality records on spreadsheets and reconciles and approves the contractor invoices before payment. However some miscoding in Agresso Milestone was noted and care should be taken to ensure accuracy in the future.

Based on the findings of this In-Depth Review some minor recommendations agreed with the Roads Depts of the Council where possible improvements could be made:

- From a financial accounting prospective to ensure all Public Lighting Expenditure should be allocated to Service Sub Division No B0501
- To review the % breakdown of the monthly energy charges allocated to the relevant jobs as the current % of expenditure applied seem to be somewhat dated.
- A New Service Level Agreement should be entered to re the "*Deadsure*" Energy Faults Reporting System as the current contract is dated 16th March 2009. The OPG should consider establishing a National Framework Agreement in this regard given that most local authorities, if not all, appear to be very much dependant on this system for recording faults and repairs.

On completion of the In-depth review of the Cavan County Council Public Lighting Programme B05, Internal Audit has formed the opinion that this Revenue Expenditure Programme appears to be **broadly/substantially compliant** with the relevant requirements of the Public Spending Code.

**Acknowledgment:** Internal Audit would like to thank all relevant Staff for their assistance during the course of this review.

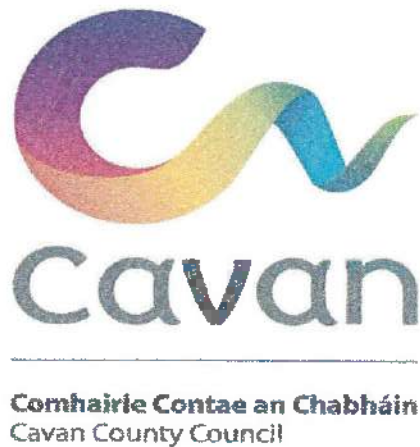
**Quality Assurance – In Depth Check**

**Proposed Capital Project**

**East West Road (Dundalk to Sligo) SRLR Scheme**

**Quality Assurance – In Depth Check**

**Cavan County Council  
Internal Audit Department**



**Public Spending Code for 2018**

**Review of Proposed Capital Project  
East West Road (Dundalk to Sligo) SRLR Scheme  
(Expenditure being considered)**

May 2019

## Quality Assurance – In Depth Check

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### Section A: Introduction

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

<b>Programme or Project Information</b>	
<b>Name</b>	<b>East West Road (Dundalk to Sligo) SRLR Scheme</b>
<b>Detail</b>	Proposed Improvement of Dundalk Sligo Link Route and Development of the Cavan – Dundalk Road. The proposed route will allow for integration with the National Roads network M1, N2 and N3 north of Cavan Town and avail of appropriate sections of the Regional and Local Roads network
<b>Responsible Body</b>	DTTAS / Cavan, Louth and Monaghan County Councils with Cavan Local Authority acting as the Lead Authority.  Each Local Authority to be responsible for their element of the proposed capital works programme.
<b>Current Status</b>	<b>Proposed Roads Project is Under Consideration</b>  Appraisal, Evaluating and Updating - 2010 CBA  Re-Appraisal of Scheme and Preliminary Multi Criteria Analysis Oct 2018
<b>Start Date</b>	Initial Project Appraisal June 2001
<b>End Date</b>	Based on Dept Approval Proposed Completion Year 2030
<b>Overall Estimated Lifetime Cost</b>	<b>(€127.3 million – Cavan County Council Element)</b>  Overall Value of Scheme  Counties Cavan Louth & Monaghan- €280 million

## Project Description

The proposed road improvements on the Dundalk Carrickmacross Cavan Route is considered a key element in the development of the country's northern road network and the strategic importance of the planned road works was recognised in the National Spatial Strategy. This route directly links the N3 to the N2 and M1 and the proposed upgrade should improve linkages from the Gateway of Dundalk to the hub towns of Cavan and Monaghan and the interregional Gateway town of Enniskillen. Completion of the works should improve access to the Dublin Belfast economic corridor from the above major town and also the other growing centres of populations in the region.

The Scheme involves the following roads: The R178, Dundalk - Carrickmacross – Shercock /R192 Shercock – Cootehill /R188, Cootehill - Cavan. The total length of roads network covered by the proposed capital project is 98.80 km with some 58km on line and off-line improvements to be undertaken. Currently there are many sections of the existing route poorly aligned with sub-standard road widths and surfaces. In recent years selected sections have been upgraded and land provisions has been made along some lengths of the route.

Progressing the project involves assessing the viability of widening and realignment of the route corridor on the Regional and Local Roads Network Sections from Cavan to Dundalk.



Within the preliminary project design the consultant aimed to identify a reasonable and rational approach to splitting the scheme into discrete sections to allow for the phased construction of the route. In doing so the consultant objective is to prioritise and justify the sections of the road for immediate update based on criteria such as road safety, traffic flows, planning, cost, environment impact and engineering details.



The main objectives this proposed roads improvement project are to:

- Reduce the travel times for access to regional, national and international markets
- Improve journey time reliability
- Deliver road network which achieves its required functions in a cost-effective manner
- Contribute to reductions in air pollution and noise
- Minimise adverse environmental impacts of new infrastructure
- Maximise access for the catchment population to education, employment and other services
- Improve regional accessibility as set out in National Planning Framework (NPF) by improving the connection between Cavan town (>10,000) and Dundalk (Regional Centre)
- Maximise accessibility to air and sea ports to ensure competitiveness in international markets
- Support effective and efficient operation of public transport services
- Provide facilities for vulnerable road users (pedestrians and cyclists)

#### ***Proposed Project Background / Update***

A preliminary assessment of the proposed project was undertaken in 2001 by private consultants Kirk McClure Mortyon as procured and appointed by the NRA and Cavan County Council. The findings of this appraisal report were submitted to the Dept of Transport in Nov 2002 but unfortunately due to the economic recession the works never progressed with the lack government approval and funding. In Sept 2005 the National Roads Authority issued a letter outlining the current position stating that the overall East-West strategy was being advanced through a number of smaller schemes and pavement works. They stated that they would continue to keep the situation under review on an ongoing basis taking account of the resources available and the many competing demands for these resources. In 2007 further representation were made to the Dept of Transport by the Steering Committee acting on behalf of Cavan, Louth and Monaghan local authorities to revisit the proposed project with Cavan County Council as the Lead Authority.

Approval was given by the Dept on 15/01/2008 for the re-assessment of the findings of initial preliminary report issued in 2001 and to undertake a new project constraints study, route selection study and a preliminary design including an Environmental Report/EIS in accordance with the NRA Project Management guidelines. Subsequently on completion of the necessary tendering procedures the Dept of Transport give Cavan County Council the approval to proceed with the appointment of Roughan O'Donovan Engineering consultants to undertake Stages (i) and (ii) of new appraisal services of the East West Link Road from Dundalk to Sligo at the agreed contract price €1,994,054.64 ex-vat.

Between 2009 and 2014 the consultants undertook various reviews including the constraints study, the route selection study, an environmental impact assessment, preliminary design / land acquisitions & Part VIII Planning reviews and a detailed feasibility Study which incorporated the Project Appraisal Balance Sheet. As part of the process a data processing company was procured by Cavan County Council to undertake a topographical survey of the route. In addition to this various consultation/ information sessions were held with public in key locations of the proposed routes.

Although funding was released to Cavan County Council as the lead authority to progress the regional road element of the project to preliminary appraisal stage which included a multi-criteria analysis and initial cost/benefit analysis of route option once again the planned project was shelved in 2016 by the DTTAS due to funding constraints.

The overall estimated Budget inclusive of VAT of the proposed of Scheme is as follows:

Cavan Local Authority element of the works €127.3million

Total est. lifetime cost of the Scheme - Counties Cavan Louth & Monaghan €280 million

The viability of the scheme is a matter for DTTAS as the funding authority.

## Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Cavan County Council have completed a Programme Logic Model (PLM) for the East West Road (Dundalk to Sligo) SRLR Scheme. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

<ul style="list-style-type: none"> <li>Development of this route should benefit the entire North Eastern Region.</li> </ul>	<ul style="list-style-type: none"> <li>TII Funding re Transport Infrastructure Ireland (€280,000,000.00 Appr)</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary appraisal of the project.</li> </ul>	<ul style="list-style-type: none"> <li>Regional Report assess the existing deficit of</li> </ul>	<ul style="list-style-type: none"> <li>The project should support and facilitate</li> </ul>
<ul style="list-style-type: none"> <li>The Optimum Route section should service the population and industries based in the region.</li> <li>It is envisaged that this route will become a key element in the National Road Network.</li> <li>Provide the require infrastructure for the maintenance of existing employment and to allow the existing agriculture and tourist industries to grow.</li> </ul>	<ul style="list-style-type: none"> <li>Oversight of the project by the Steering Committee.</li> <li>Involvement/ commitment of all 3 local Authorities Cavan, Louth and Monaghan.</li> <li>Management of the Project by the Council by Cavan County Council as Lead Authority.</li> <li>Cavan County Council's in-house funding, staff and technical resources.</li> <li>Buy-in of community and landowners in the locality along the route selection.</li> <li>External Consultants</li> <li>Consultancy Reports &amp; findings</li> <li>External Contractor</li> </ul>	<ul style="list-style-type: none"> <li>Clearly define the need and objective of project.</li> <li>Seek relevant Dept (TII) approval.</li> <li>Set key project milestone dates</li> <li>Procurement of the Technical Consultants</li> <li>Undertake a Multi Criteria analysis.</li> <li>Phase 1 Scheme Concept &amp; Feasibility Study.</li> <li>Phase 2 Identify Feasible Options / Route Selection, Risk Assessment drafting of the business case</li> <li>Review all relevant constraints, total costs</li> </ul>	<ul style="list-style-type: none"> <li>transportation infrastructure in the project area.</li> <li>This route would also enhance the N2 and N3 corridors. With no national road passing through this area the proposed route has been long recognised as essential for the future development of the region.</li> <li>Improvement of Regional Linkage covering 98.80 km of road network.</li> </ul>	<ul style="list-style-type: none"> <li>the ongoing social and economic development of the surrounding area in a sustainable manner and improve competitiveness.</li> <li>Significantly improve access to the major centres of population and economic activity and to national and international markets.</li> <li>Consolidate the counties involved in the project through strengthening of connections between principal centres.</li> </ul>

		<p><b>including required land acquisitions</b></p> <ul style="list-style-type: none"> <li>• Phase 3 Overall Design of selected options</li> <li>• Phase 4 EIA environment impact assessment, EAR Statutory Processes Part 8 Compulsory land purchases</li> <li>• Phase 5. Detailed Designs, Advance Works and Construction Document Preparation, Tender and Award of Contract on approval of NRA/ TII</li> <li>• Construction &amp; Implementation of the Project</li> <li>• Drawdown of Dept Funding &amp; Closeout</li> <li>• Undertake a Post Project Review.</li> </ul>	<ul style="list-style-type: none"> <li>• Ameliorate the adverse impacts of the border on the development potential project area.</li> <li>• Reduce deprivation and isolation by providing enhanced access to employment and services in the study area.</li> <li>• Access to Markets</li> <li>• Access to Social Services</li> <li>• Access to Employment</li> <li>• Enhancement of Development Potential</li> <li>• Improvement of Regional Linkages</li> </ul>
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## **Description of Programme Logic Model**

The proposed project involves assessing the viability of widening and realignment of the route corridor on the Regional and Local Roads Network Sections from Cavan to Dundalk. The total length of roads network covered by this project is 98.80 km with some 58km on line and off-line improvements to be undertaken. The Scheme involves the following roads. The R178, Dundalk – Carrickmacross - Shercock /R192 Shercock – Cootehill /R188, Cootehill - Cavan. The route from Dundalk west has been recognised as a key element in the development of the country's northern road network. Many of sections of the existing roads network are sub-standard in width and alignment.

Counties Cavan Louth and Monaghan Local Authorities are united in their desire to develop the route.

*Objectives:* It is envisaged that the development of this route will benefit the entire Eastern Region. The East Region corridor has been recognised as an essential route that needs to be constructed to help in the development of the border area.

*Inputs:* DTTAS Funding- the projected lifetime cost for Cavan Local Authority's element of the scheme is approximately €127.3million with the overall projected lifetime project costs for counties Cavan, Louth & Monaghan estimated at approx. €280 million. Additional inputs will include the technical consultancy services, in-house local authority funding, staff/admin resource supports, buy-in from the public and land owners in the locality of the project area & procurement of the main external contractors.

*Activities:* Appointment of the Consultants to progress the scheme through Scheme Concept and Feasibility, and Route Selection. Public Consultation, Design of Project, Procurement/ Appointment of Civil Engineering Contractors, CPO Land Acquisitions, Management of the Project, Completion of the Project and a Post Project Review.

*Outputs:* The proposed road improvements should redress the existing deficit of transportation infrastructure in the project area covering a total of 98.80 kms of road network. The planned road work will cover approximately 58km of the existing routes involving improvements on-line and off-line. This proposed route should also enhance the N2 and N3 corridors.

*Outcomes:* The road upgrade project should support and facilitate the ongoing social and economic development of the surrounding areas in a sustainable manner and improve competitiveness. It is also envisaged that the proposed upgrade will also provide a safer roads network that for all road users. The proposed enhancement of the Reduce deprivation and isolation by providing enhanced access to employment and services in the surrounding areas.

Ultimately this project should provide better:

- Access to Markets
- Access to Social Services
- Access to Employment
- Enhancement of Development Potential
- Improvement of Regional Linkages

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

The following section tracks the Proposed East West Road (Dundalk to Sligo) SRLR Scheme from inception to conclusion in terms of major project/programme milestones

<b>Early 2000</b>	Representation on half of Cavan, Louth & Monaghan local Authorities to the Dept of Transport on the Proposed Project.
<b>03/01/2001</b>	Briefing Notice Seeking Project Consultants
<b>16/03/2001</b>	NRA Letter on Shortlisting of Consultants to undertake the Preliminary Study
<b>28/05/2001</b>	Appointment of Kirk McClure, Mortyon Consultants to undertake the Strategic Study
<b>June 2001</b>	Phase 1 of the Preliminary Study issued
<b>Sept 2001</b>	Feasibility Study Issued
<b>21/01/2001</b>	Phase 2 of Strategic Study of the Development of the East Link Road issued
<b>18/11/2002</b>	Preliminary Appraisal Form submitted to Dept of Transport
<b>21/09/2005</b>	Project Put on Hold /the DTTAS will continue to keep the situation under review on an ongoing basis taking account of the resources available and the many competing demands for these resources
<b>03/08/2007</b>	Further Representations to the Dept of Transport to Progress the Matter
<b>15/01/2008</b>	Dept Letter granting approval to undertake a further study of the project
<b>May 2008</b>	Consultants Expression of Interest sought
<b>14/07/2008</b>	Assessment of Consultants expression of Interest undertaken by Cavan County Council
<b>29/07/2008</b>	Tender documents issued to 8 Pre-Qualifying Consultants
<b>15/09/2008</b>	Tender submission Date
<b>30/09/2008</b>	Tenders Assessed by the Review Board

**20/11/2008** Engineering Consultancy Services Tender Report & Recommendation issued  
**21/11/2008** Letter & Tender Report enclosures submitted to the Dept  
**09/12/2008** Department of Transport approval to proceed with appointment of Roughan & O'Donovan  
**18/12/2008** Letter of intent issued to Roughan & O'Donovan  
**06/01/2009** Reply from Roughan & O'Donovan with relevant attachments  
**21/01/2009** Recommendation & Managers Order no 09/27R on the Appointment of the Consultants  
**2009** Roughan & O'Donovan commence work, by end of 2009 Approximately 7% of their total fee/expenses claimed  
**2009/2010** Review of the 2001 Study, Constraints Study, Route Selection Study, Environmental Impact Report  
**March 2010** Phase I of the Strategic Study Report issued on the Development of the East – West Route  
**10/10/2010** Feasibility Study and the Project Appraisal Balance Sheet  
**2010** Roughan & O'Donovan continue work, by end of 2010 Approximately 30% of their total fee/expenses claimed  
**August 2011** Phase 2 of the Strategic Study Report issued on the Development of the East – West Route  
**2011** Roughan & O'Donovan continue work, by end of 2011 Approximately 53% of their total fee/expenses claimed  
**2011** Public Consultation and Information Sessions  
**15/10/2012** Award of Topographical Survey Contact  
**2012** Roughan & O'Donovan continue work, by end of 2012 Approximately 75% of their total fee/expenses claimed  
**2013** Roughan & O'Donovan continue work, by end of 2013 Approximately 87% of their total fee/expenses claimed  
**2014** Roughan & O'Donovan continue work, by end of 2014 Approximately 91% of their total fee/expenses claimed  
**2014-2017** Planning/CPO and Handover outstanding  
**2014-2017** Awaiting Dept Approval to progress the Project- On hold due until funding is made available  
**2018** Further informal consultations on the project between the Steering Committee, Cavan County Council & DTTAS  
**2018** In September 2018 Department of Transport confirm approval for the preparation of a Stage 1 – Preliminary Appraisal for the Scheme to update costs, benefits, BCR. including a Multi Criteria Analysis (MCA) taking account of the current economic environment and the impact that Brexit may have on the border counties including Cavan, Louth & Monaghan.  
**Nov 2018** RoD /AECOM prepare first drafts of Preliminary Appraisal Form, MCA and Total Scheme Budget

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

The following section reviews the key documentation relating to appraisal, analysis and evaluation for the Proposed East West Road (Dundalk to Sligo) SRLR Scheme.

<b>Project/Programme Key Documents</b>	
<b>Title</b>	<b>Details</b>
1.0 Letter of Appointment of Kirk McClure Mortyon issued to the Contractor to undertake the initial Appraisal Study.	The Project and appointment of the Contractor was agreed with the NRA on 16/03/2001. The letter of appointment was issued on 28/05/2001
1.1 Initial Strategic Study of the Development of the East Link Road	The aims and objectives of the study were " to commission a regional transportation and infrastructural study on the impact of the development of an improved east-west link road on the region as a whole and to establish the positive economic impacts which would derive to the region with the provision of such a road." (NRA Project Brief). Report Issued by Consultant 21/01/2001
1.2 Preliminary Project Appraisal Form	Submitted to the Dept 18/11/2002
1.3 Dept Letter instructing the Local Authority that the Project be hold until funds are available	Dept Letter issued 21/09/2005
2.0 Representation Letter sent to the Dept by Local Authorities	Cavan Louth & Monaghan County Councils made further representations to have proposed project put on the agenda again. Dated 03/08/2007
2.1 Dept Letter providing approval outlining the additional project appraisal to be undertaken	Dept Letter issued 15/1/2008
2.2 Tendering Documents linked to the appointment of project consultants	May 2008 – Nov 2008
2.3 Dept Approval Notification to appoint the Roughan & O Donovan Consultants to re appraise the proposed Project	Dept Letter 09/12/2008
2.4 Letter of Intent, Recommendation and Managers Order 09/27R on the Appointment of the Roughan & O Donovan as the Project Consultants	18/12/2008 – 21/01/2009
3.0 Phase I of the Strategic Study on the Development of an East – West Link Route	Review of the initial study completed in 2001, together with the new Constraints Study, Environmental Report / Impact Assessment, Preliminary Design. Issued: 2009 - March 2010 Feasibility Study and the Project Appraisal Balance Sheet: 10/10/2010
3.1 Phase 2 of the Strategic Study on the Development of an East – West Link Route	
3.2 Dept Approval to undertake additional studies including the Multi Criteria Analysis & Proposed Project Milestone	
3.3 Preliminary Multi Criteria Analysis & Proposed Project Milestones	Sets out in details the proposed costings and key project milestone dates



**Key Documents 1:** Includes the supporting information of the initial appointment letter issued to consultants, the briefing documents and details of the project appraisal work /Strategic Study Report. The document on file provides clear evidence of the Dept's initial involvement in the proposed project with regard to the project briefing, consultant approval and the project appraisal process since 2001. All necessary relevant documentation is available for review and there was clear evidence on file indicating that the project was on hold until further notice was given the Dept 29/09/2005

**Key Documents 2:** These documents provide evidence of further representation to revisit the proposed project, the Dept approval to undertaken additional studies and the tendering and appointment of the new project appraisal consultants. The necessary documents were available and the tendering process appear to be applied correctly.

**Key Documents 3:** The detailed appraisal stage aims to provide a basis for a decision on whether to drop a proposal or to approve it in principle. It involves the clarification of objectives, exploration of options, quantification of costs and a method of selecting the best solution from competing options. Strategic Study on the Development of the East – West Link Route incorporate the particulars of the review of the initial study undertaken in 2001, the Constraints Study, Route Options / Selection, Environmental Impact Assessment, a detailed feasibility study and a cost benefit analysis/ Preliminary Multi Criteria Analysis (MCA)

## Section B - Step 4: Data Audit

The following section details the data audit that was carried out for the Proposed East West Road (Dundalk to Sligo) SRLR Scheme. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
Initial Strategic Project Appraisal Report 2001	Provides details of project objectives, the exploration of options, quantification of costs and a method of selecting the best solution from competing options.	Available on File
Tendering Documentation for Project Appraisal of Consultants	To provide assurance that best procurement practice was applied and that Dept Approval was provided to appoint the contract to the Most Economical Advantages Tender (MEAT)	On file & Complete
The New Strategic Studies Phases I & II of the Development of an East - West Link Route (2010-2014)	Provides evidence of adherence with the Public spending Code. Review of the Initial Report issued in 2001. Provides confirmation that of the proposed project objectives, the exploration options provided,	Evidence Provided / On File
Invoices for Consultants fees / approvals (2010-2014)	To determine that the fees paid are in line the contracted / tendered price	In order & available on file
Preliminary Multi Criteria Analysis (MCA) & Key Milestone Established  Oct 2018	Quantification of costs and a method of selecting the best solution from competing options.  Set Milestone dates - sets targets	In draft Format as prepared by the Consultant

**Data Availability and Proposed Next Steps:** Internal Audit is satisfied that the documentation outlined in the above table was provided on request from the Roads & Transportation Dept of the Council. Assurance is provided that the initial project appraisal stages were undertaken in line with the Public Spending Code and the Project Management Guidelines. The necessary supporting documentation will be retained on file for future audit trail purposes.

**Scheme Status:** The proposed project is still currently being considered with the appraisal and viability of the scheme ongoing. The real future of the project is a matter for DTTAS as the funding authority.

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## Section B - Step 5: Key Evaluation Questions

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The following section looks at the key evaluation questions for Proposed East West Road (Dundalk to Sligo) SRLR Scheme based on the findings from the previous sections of this report.

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

Based on the findings of the in-depth review the initial appraisal stage of the proposed East West Road (Dundalk to Sligo) SRLR Scheme appears to comply with the standards set out in the Public Spending Code. The proposed scheme is under consideration with ongoing appraisals been carried out. Clear project objectives are outlined with the necessary (DTTAS) approval sought to undertake the technical consultancy appraisal works including an assessment of the preferred/recommended route option.

Procurement of the consultants was in accordance with National & EU Regulation / best practice with necessary Dept approval granted. The relevant Steering Committee was established and regular public consultation meetings were held with the main stakeholders. Between 2010 – 2014 further strategic appraisals were undertaken including feasibility studies/environmental impact assessments etc. Should the scheme come to fruition preliminary milestone dates are in place. Due the funding constraints surrounding the general economic recession the Dept placed the project on hold indefinitely.

During 2017 there were renewed representations to the Dept on the proposed scheme. Having consulted with the Dept in 2018 it was recommended that based on the size of the proposed capital investment the Steering Committee/Cavan County Council should carry out a re-appraisal of the scheme including a Preliminary Multi Criteria Analysis (MCA). Particular attention was to be placed on current business, social and economic environment together with the impact that Brexit may have on the Border Counties.

**Is the necessary data and information available such that the project/programme can be subjected to a full evaluation at a later date?** Yes, all the necessary data and information is available to substantiate any key decisions taken during the initial appraisal stages of the proposed East West Road (Dundalk to Sligo) SRLR Scheme. As the project progresses the related data will be retained to facilitate a full evaluation at a later date.

**What improvements are recommended such that future processes and management are enhanced?** As this project is at initial stages of the proposal no major issues were identified. It is advised that the project management team continue to adhere to control procedures as recommended by the Dept in the Public Spending Code.

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## Section: In-Depth Check Summary

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The following section presents a summary of the findings of this In-Depth Check on the Proposed East West Road (Dundalk to Sligo) SRLR Scheme.

**Summary of the In-Depth Check:** Under section 4 of the Quality Assurance provisions contained in the Public Spending Code Cavan County Council is required to carry out an in-depth review on a minimum of 5% of the total value of all Capital Projects on the PSC inventory list, averaged over a 3-year period. In line with this requirement an in-depth review was undertaken on Proposed East West Road (Dundalk to Sligo) SRLR Scheme which is currently under consideration by the Roads & Infrastructure Dept of the Council as the Lead Authority. On drafting the inventory list for 2018 the estimated lifetime value of this proposed capital project for Cavan County Council is €127.3 million which represents approximately 29% of the total value of Cavan County Council's PSC Capital Projects of €444,330,318.00.

The prime aim of this road enhancement scheme which is currently on the capital project inventory list as under consideration is to enhance the road infrastructure along the Dundalk Carrickmacross and Cavan Route. This project is considered as a key element in the development and maintenance of rural towns, local industries, employment, agriculture and tourism in the northern region of the county. In terms the strategic importance of the proposed scheme is extremely important given the current economic environment and the impact that Brexit may have on the border counties including Cavan, Louth and Monaghan. This route directly links the N3 to the N2 and M1 and the proposed upgrade should improve linkages from the Gateway of Dundalk to the hub towns of Cavan and Monaghan and the interregional Gateway town of Enniskillen. Should the proposed works come to fruition it should improve access to the Dublin Belfast economic corridor from the above major town and also the other growing centres of populations in the region. It is envisaged that counties Cavan, Louth & Monaghan will benefit greatly from the improved roads network. A steering committee was established with Cavan Local Authority nominated as the Lead Authority.

The proposed scheme was initially appraised in 2001/2002 but was put on hold by the Dept due to funding constraints. Following subsequent representations in 2007/2008 the Dept give the approval to undertake a further appraisal of the proposed scheme. Additional studies were carried out between 2010-2014 by the newly appointed appraisal consultants but once again advancement of the project was curtailed by the Dept in 2015. With Brexit looming in 2018 there was a renewed emphasis placed on the proposed upgrade of East West Road (Dundalk to Sligo). On behalf of the Project Steering Committee Cavan County Council had ongoing discussion with the Dept on the future of the project. In Sept 2018 the Dept give approval to undertake additional studies to substantiate the necessity for the proposed new East West Northern Route considering the current economic environment and the impact that Brexit would have on the border counties of Cavan, Louth & Monaghan.

Subsequently in Oct 2018 the consultants Roughan & O'Donovan prepared a Preliminary Multi- Criteria Analysis on the proposed project. If the proposed scheme was approved by the Dept the vision is that the Scheme would commence works in 2021 with an estimated completion date set for 2031.

Based on the evidence provided the Project Appraisal Phase of this scheme appears to have been carried out in accordance Public Spending Code Regulations and Project Management Guidelines. The project is still only being considered with ongoing appraisal works taking place. In order for the scheme to progress any further the necessary approval is required from DTTAS. The future of the scheme is very much dependent on Dept approval. The estimated lifetime cost of the proposed Capital Project for Cavan County Council's element of the scheme is €127.3 million.

Based on findings of the in-depth review on the proposed East West Road (Dundalk to Sligo) SRLR Scheme, Internal Audit is of the opinion that Cavan County Council appears to be **broadly (Substantial) compliant** with the relevant requirements of the Public Spending Code.