



Kildare County Council

PUBLIC SPENDING CODE

Quality Assurance Report for 2017

To be submitted to the

National Oversight and Audit Commission (NOAC)

Certification

This Annual Quality Assurance Report sets out the position in relation to Kildare County Council's assessment of its compliance with the Public Spending Code. It is based on the best financial and organisational information available at the time of publication of the report.

Signature of Accounting Officer:



**Mr. Peter Carey
Chief Executive
Kildare County Council**

Date:

30th May 2018

Introduction

Kildare County Council has completed this Annual Quality Assurance Report as part of its on-going compliance with the Public Spending Code. The purpose of this report is to present the results of each of the five steps in the Quality Assurance exercise and to report on compliance with the requirements of the Public Spending Code as established during this exercise.

The **Public Spending Code**¹ brings together in one place details of the obligations that those responsible for spending public money are obliged to adhere to as well as guidance material on how to comply with the obligations outlined. The Public Spending Code applies to both Capital and Current expenditure. The Code sets out to explain what is required of public service managers at different points of the expenditure lifecycle and offers advice on how to fulfil those requirements. All Government Departments and public bodies and all bodies in receipt of public funding must comply, as appropriate, with the relevant requirements of the Public Spending Code.

Quality Assurance 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.

¹<http://publicspendingcode.per.gov.ie/>

The Quality Assurance process contains five steps:

Step 1	Draw up an Inventory of projects/programmes under three categories; expenditure being considered, expenditure being incurred and expenditure recently ended. The inventory should include all projects/programmes over €0.5 million.
Step 2	Publish Summary information on Kildare County Council's website of procurements in excess of €10 million.
Step 3	Complete the checklists (7) contained in the Public Spending Code.
Step 4	Carry out a more in-depth check on a small number of selected projects / programmes.
Step 5	Complete summary report for NOAC and Kildare County Council's website.

Step 1 – Project Inventory

Kildare County Council's Project Inventory is included in Appendix A.

The inventory of Expenditure on Projects/Programmes with a value above €0.5 million is categorised as follows;

Category 1 – Expenditure being considered

Category 2 – Expenditure being incurred

Category 3 – Expenditure recently ended

Kildare County Council's inventory contains 84 projects/programmes with a total value of *€488,330,898.09

*NOTE:- Following a review of Version 3 of the Guidance Note and having regard to the methodology used by other Local Authorities, it was agreed that the methodology for creating the Inventory should be changed from 2016 onwards to reflect the "life time costs" of capital projects, i.e. the total cost of the project including land costs, consultants fees and contract costs.

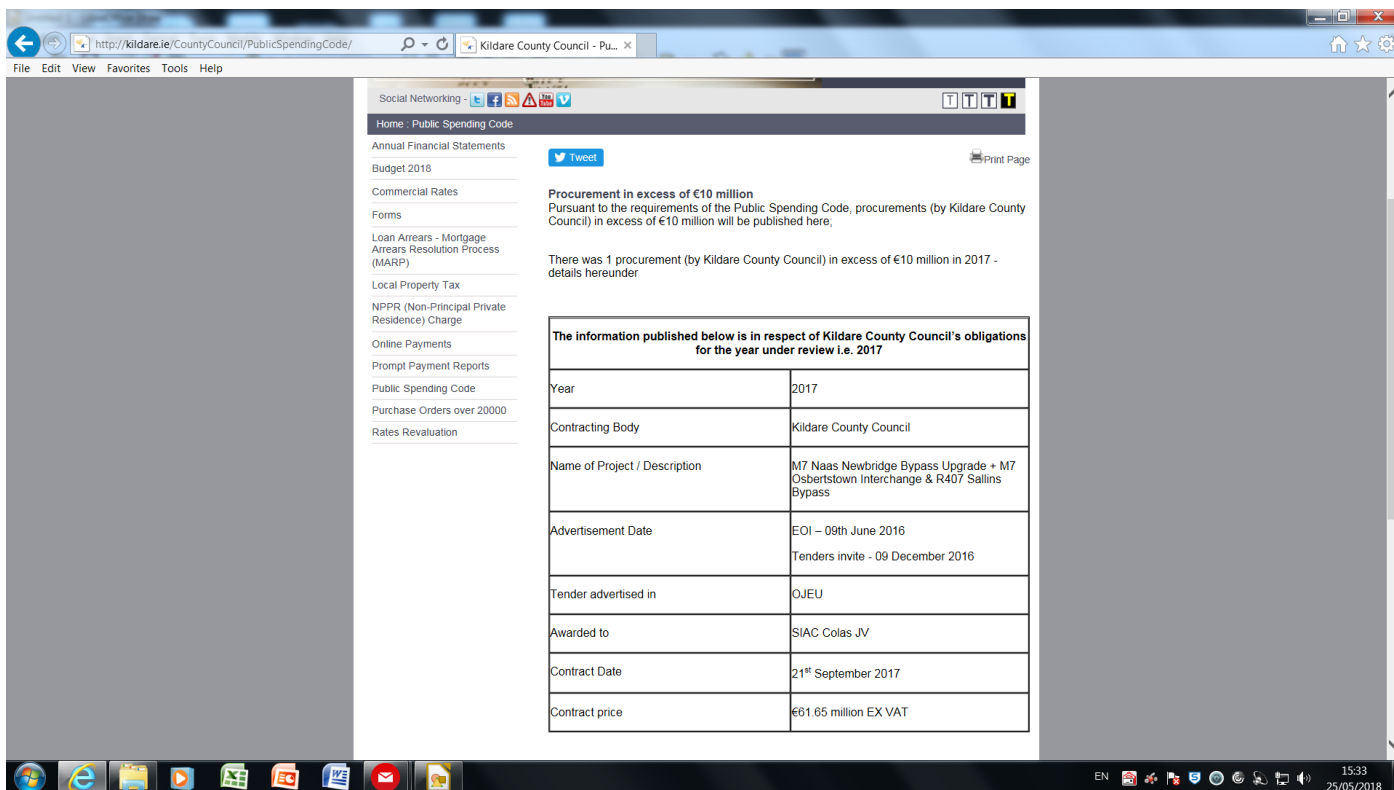
It should be noted that Irish Water became responsible for water services on 1st January 2014 (Water Services (No. 2) Act 2013). There is some water services expenditure in the "expenditure being incurred" table of the project inventory as Kildare County Council acts as an agent for Irish Water in accordance with a service level agreement. Irish Water is subject to its own financial governance framework and subject to oversight by the Commission for Energy Regulation.

Step 2 – Publish summary information on all procurements in excess of €10 million

Kildare County Council has established a section on its website in order to publish summary information of all procurements in excess of €10 million.

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

<http://kildare.ie/CountyCouncil/PublicSpendingCode/>



The screenshot shows a web browser window displaying the Kildare County Council Public Spending Code page. The page includes a navigation menu on the left with links such as 'Annual Financial Statements', 'Budget 2016', and 'Public Spending Code'. The main content area features a 'Procurement in excess of €10 million' section with a 'Tweet' button and a 'Print Page' icon. Below this, a table provides details for a procurement in 2017.

Procurement in excess of €10 million
Pursuant to the requirements of the Public Spending Code, procurements (by Kildare County Council) in excess of €10 million will be published here;

There was 1 procurement (by Kildare County Council) in excess of €10 million in 2017 - details hereunder

The information published below is in respect of Kildare County Council's obligations for the year under review i.e. 2017	
Year	2017
Contracting Body	Kildare County Council
Name of Project / Description	M7 Naas Newbridge Bypass Upgrade + M7 Osbertstown Interchange & R407 Sallins Bypass
Advertisement Date	EOI – 09th June 2016 Tenders invite - 09 December 2016
Tender advertised in	OJEU
Awarded to	SIAC Colas JV
Contract Date	21 st September 2017
Contract price	€61.65 million EX VAT

Step 3 – Checklist Completion

There are seven checklists to be completed and they are as follows;

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

Checklist 2 – Capital Expenditure being considered

Checklist 3 – Current Expenditure being considered

Checklist 4 – Capital Expenditure being incurred

Checklist 5 – Current Expenditure being incurred

Checklist 6 – Capital Expenditure completed

Checklist 7 – Current Expenditure completed

A full set of checklists (1-7) was completed by Kildare County Council and is set out in Appendix B.

Step 4 – In-depth Check

The Internal Audit (IA) Unit of Kildare County Council was assigned the task of completing the in-depth check. The guidance document states that the value of the projects selected for in depth review each year must follow the criteria set out below:

- Revenue Projects: Projects selected must represent a minimum of 1% of the total value of all Revenue Projects on the Project Inventory.
- Capital Projects: Projects selected must represent a minimum of 5% of the total value of all Capital Projects on the Project Inventory.

The total value of Kildare County Council's 2017 project inventory was just over €488 million and the projects selected for an in-depth check were as follows:

Revenue Project Selected for In-Depth Check	
Project 1: Social Housing Leasing (Social Housing Current Expenditure)	
Value of Revenue Project selected	€2,574,000
Total Value of Revenue Projects in Project Inventory	€154,215,420.00
% of the total value of all Revenue Projects in the Project Inventory	1.66%
Capital Projects Selected for In-Depth Check	
Project 2: NRO M7 Osberstown Interchange & R407 Sallins Bypass	
Value of Capital Project selected	€55,000,000
Total Value of Capital Projects in Project Inventory	€334,115,478
% of the total value of all Capital Projects on the Project Inventory	16.46%

Project 1 Social Housing Leasing (Social Housing Current Expenditure)

Summary of In-Depth Check

In 2009 the Department of Housing, Planning and Local Government launched the Social Housing Leasing initiative as a form of social housing provision (Circular N3/09), whereby local authorities could enter into long term leasing of private dwellings as a means of meeting the demand for social housing. The initial scheme applied only to local authorities however it was later extended to include AHBs (Circular N5/09).

The revised scheme allows AHBs to enter into long term leases with private owners or purchase properties using private finance. In 2011, the Capital Advance Leasing Facility (CALF) was introduced (Circular 31/11) whereby AHBs receive a capital advance to acquire dwellings and make them available for social housing purposes under the Social Leasing initiative.

Kildare County Council operates the Social Housing Leasing Scheme in partnership with the AHBs and in accordance with terms outlined in the Circulars 2011/03, N509 and N309. Local Authorities administer the schemes on behalf of the Department. Initial appraisal for this programme was carried out at national level as part of the country's overall Housing Policy. Likewise the analysis and evaluation of the programme should be carried out at national level and the Council is only required to administer the schemes as part of the implementation of a national statutory instrument. Our audit found that written procedures were in place and being followed for leasing administration, AHB proposals were assessed and decided upon promptly, recoupments were claimed promptly from the Department and all documents are filed and easily found.

Audit Opinion

In so far as the Council's compliance with the provision of social housing leasing contributes to national policy implementation; it is considered that the programme is in Substantial compliance with the Public Spending Code.

Project 2: NRO M7 Osberstown Interchange & R407 Sallins Bypass

Summary of In-Depth Check

The M7 Osberstown Interchange and R407 Sallins Bypass Scheme works include the construction of a new grade separated junction on the M7 at Osberstown and modification of the slip roads at the existing Junction 10 at Newhall, a regional road comprising the R407 bypass of Sallins and associated link roads. The R407 Sallins Bypass will be located to the west of Sallins town commencing at the proposed M7 Osberstown Interchange and tying into the existing R407 Clane Road to the north of Sallins Town. The bypass will proceed in a north easterly direction from the M& Osberstown Interchange and will pass under the Dublin Cork railway line, cross over the Grand Canal and over the River Liffey in two locations, before tying into the existing R407 Clane Road. The Bypass will be approximately 3.7km in length. The Sallins Link Road will connect the R407 Sallins Bypass to the centre of Sallins town and will be approximately 13km in length.

The main works contractor was procured using the restricted procedures set out in the European Communities (Award of Public Authorities Contracts) Regulations 2006. In cases where contracts were estimated to be under €50,000 tenders were requested from at least three specialist contractors. The tender processes were conducted in accordance with KCC's procurement procedures. Procedural requirements involved in the tendering process have been complied with in respect of the appointment of contractors for this project. There is documentary evidence to verify that all tenders were advertised and assessed in accordance with the relevant legislation. Chief Executive Orders were signed in accordance with procedures. There is documentary evidence of agendas and minutes of regular meetings that were held throughout the duration of the project. These meetings included representatives from KCC. The minutes provide a comprehensive record of those present, matters discussed, outcomes agreed and actions required along with assigned responsibilities. There are a number of change orders, each has been properly processed and referred to Transport Infrastructure Ireland for formal approval and the relevant documentation is available to verify this.

Audit Opinion

It is the opinion of Internal Audit that the NRO M7 Osberstown Interchange & R407 Sallins Bypass is in substantial compliance with the requirements of the Public Spending Code. There is a robust system of risk management, control and governance in place throughout the project and key milestones and objectives have been met on an ongoing basis. There is a clear audit trail and documentary back-up on file.

The project is run efficiently and effectively and the objectives of the Scheme are on schedule to be realised. There have been additional costs incurred over the tender price. All the extra costs were documented through change orders, approved and explained prior to their completion. The review highlighted issues regarding the reconciliation of the capital code on the Agresso Financial Management System. On analysis; Internal Audit was unable to obtain a detailed spreadsheet showing the reconciliation. Further information on this is detailed in the recommendations of the report.

Note:- Quality Assurance – In Depth Check reports are attached in full in Appendix C

Step 5 – Summary Report for NOAC and Kildare County Council’s website

This report has set out all of the Quality Assurance requirements of the Public Spending Code and has confirmed that Kildare County Council is in compliance with said requirements.

With respect to each of the required steps:

- A project inventory has been prepared outlining the various projects/programmes (capital and revenue) that were being considered, being incurred or recently ended; within the 2017 financial year.
- Information relating to procurements over €10 million has been published on Kildare County Council’s website.
- The 7 checklists have been completed and provide reasonable assurance that there is satisfactory compliance with the Public Spending Code.
- In-depth checks have been completed and it has confirmed that there is substantial compliance with the Public Spending Code.
- A summary report has now been completed and certified by the Accounting Officer / Chief Executive of Kildare County Council. The summary report has also been published on Kildare County Council’s website and returned to NOAC.

As 2014 was the first year that this Quality Assurance process applied to Local Authorities there have been opportunities for relevant staff to gain experience and knowledge in relation to the Public Spending Code and the obligations it places on the spending of public monies. It has been possible to learn from the process completed in previous years and the feedback from NOAC in order to ensure that the 2017 Quality Assurance Report meets all requirements.

Finally I can confirm that this Quality Assurance exercise has provided reasonable assurance to the management of Kildare County Council that there is satisfactory compliance with the Public Spending Code.

APPENDIX A
PROJECT INVENTORY 2017

KILDARE COUNTY COUNCIL PUBLIC SPENDING CODE INVENTORY OF PROJECTS AND PROGRAMMES OVER €0.5M	Expenditure being considered					Expenditure being incurred			Expenditure recently ended			Notes
	Current > €0.5m	Capital				> €0.5m			> €0.5m			
		Capital Grant Schemes > €0.5m	Capital Projects			Current Expenditure	Capital Grant Schemes	Capital Projects	Current Expenditure	Capital Grant Schemes	Capital Projects	
			€0.5 - €5m	€5 - €20m	€20m plus							
Housing & Building												
Maintenance/Improvement of LA Housing					€9,610,465.00							
Housing Assessment, Allocation & Transfer					€987,638.00							
Housing Rent & Tenant Purchase Admin					€923,697.00							
Housing Community Development Support					€868,956.00							
Administration of Homeless Service					€3,600,613.00							
Support to Housing Capital & Affordable Prog					€4,673,582.00							
RAS Programme					€11,208,090.00							
Housing Loans					€2,790,636.00							
Housing Grants					€4,440,255.00							
St. Patrick's Park, Rathangan			€3,200,000.00									
Beech Grove, Rathangan			€2,500,000.00									
Athgarvan Village			€2,025,000.00									
Rathasker Naas			€3,300,000.00									
Clogherinkoe			€1,500,000.00									
Nurney			€750,000.00									
Newtown House, Leixlip			€700,000.00									
Narraghmore			€700,000.00									
Land Acquisition			€6,000,000.00									
Highfield Estate Kilcock Hsg Units							€3,765,056.00					
St. Annes Road, Prosperous Hsg Units							€2,972,665.00					
Old Greenfield Maynooth							€12,341,350.00					
Athgarvan Road, Newbridge Hsg Units							€4,127,296.00					
Dunmurray Rise Hsg Units Bishopsland Kildare							€8,855,975.00					
Houses Upgrade Other Costs							€2,234,222.27					
2017 House Purchase							€25,049,227.00					
Part V House Purchase							€1,991,495.25					
CAS - Circle Housing Association							€1,171,053.58					

CAS - Dublin Simon Community								€3,848,187.00				
CAS - Simon Community Hawthorns/Millfield								€2,868,250.00				
Road Transportation and Safety												
Dublin Road, Naas			€1,100,000.00									
OD6 Clane Inner Relief Rd Capdoo			€3,900,000.00									
Regional Road - Maintenance & Improvement							€7,700,551.00					
Local Road - Maintenance & Improvement							€15,315,738.00					
Public Lighting							€4,488,627.00					
Road Safety Promotion/Education							€721,595.00					
Maintenance & Management of Car Parking							€2,868,746.00					
Support to Roads Capital Programme							€4,494,899.00					
NRO Naas Newbridge By-Pass Upgrade								€55,000,000.00				
NRO M7 Osbertstown I/Change & Sallins ByPass								€55,000,000.00				
NRO Post 2012 Admin Costs								€1,384,092.46				
NRO Kildare MIU Cap Balances								€643,225.49				
NRO Leinster Bridges Cont 2 Rehab								€2,916,171.00				
NRO Leinster Bridges Cont 1 Rehab								€2,167,530.00				
NRO Wexford Bridges Rehab								€1,322,009.00				
DL 2004 Scheme Newbridge Link Road Prelim Des											€810,713.90	
TII Athy Distributor Road								€35,000,000.00				
Naas MD Surface Water Improvement Works								€592,248.00				
Outstanding Land Acquisitions								€1,520,735.14				
Royal Canal Greenway Maynooth - Westmeath								€2,500,000.00				
Naas Corbans & Friary Improv Scheme								€12,000,000.00				
NTA VRU Improvements Maynooth								€4,400,000.00				
Water Services												
Morell Surface Water Scheme			€7,500,000.00									
Development Management												
Economic Hub			€4,000,000.00									
Forward Planning							€1,462,302.00					
Development Management							€4,965,916.00					

Enforcement						€986,140.00							
Community & Enterprise Function						€3,707,433.00							
Unfinished Housing Estates						€1,775,502.00							
Building Control						€516,413.00							
Economic Development & Promotion						€2,228,316.00							
Heritage and Conservation Services						€714,608.00							
Environmental Services													
Operation, Maintenance & Aftercare of Landfill						€1,111,324.00							
Litter Management						€1,513,269.00							
Street Cleaning						€2,497,219.00							
Waste Regs, Monitoring & Enforcement						€16,941,544.00							
Maintenance & Upkeep of Burial Grounds						€1,102,908.00							
Operation of Fire Service						€5,735,861.00							
Fire Prevention						€582,746.00							
Water Quality, Air and Noise Pollution						€1,063,194.00							
Kerdiffstown Landfill Remediation (Consol.)								€50,000,000.00					
Recreation and Amenity													
Athy Community Library						€4,000,000.00							
Operation & Maintenance of Leisure Facilities						€888,344.00							
Operation of Library and Archival Service						€7,134,487.00							
Op. Mtce & Imp of Outdoor Leisure Areas						€1,635,254.00							
Community Sport and Recreational Development						€996,953.00							
Operation of Arts Programme						€921,489.00							
Development of Bawnogues Amenity Lands								€900,000.00					
LA Swimming Pool Energy Efficiency												€658,976.00	
Sallins Amenity Space Provision												€900,000.00	
Agriculture, Education, Health and Welfare													
Veterinary Service						€693,838.00							
Miscellaneous Services													
Administration of Rates						€8,766,509.00							
Local Representation / Civic Leadership						€5,783,074.00							

Motor Taxation						€1,166,952.00						
Agency & Recoupable Services						€629,737.00						
	€ -	€ -	€37,175,000.00	€ -	€ -	€154,215,420.00	€ -	€294,570,788.19	€ -	€ -	€2,369,689.90	

84 projects/programmes

Total Value

€488,330,898.09

APPENDIX B

CHECKLISTS OF COMPLIANCE

Checklist 1: – to be completed by all Local Authorities

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 1 - 3	Discussion/Action Required
Does the Local Authority ensure, on an ongoing basis that appropriate people within the authority and in its agencies are aware of the requirements of the Public Spending Code?	3	Yes – all budget holders informed / made aware of the requirements of the PSC
Has there been participation by relevant staff in external training on the Public Spending Code? (i.e. DPER)	3	Yes
Has internal training on the Public Spending Code been provided to relevant staff?	3	Yes
Has the Public Spending Code been adapted for the type of project/programme that your authority is responsible for? i.e. have adapted sectoral guidelines been developed?	3	Yes – a guidance note for Local Authorities has been developed, reviewed and updated to take account of feedback from NOAC
Has the Local Authority in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	N/A	In 2017 there were no agencies that were in receipt of funds in excess of €500,000. This situation will continue to be monitored
Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Local Authority and to your agencies?	3	Yes
Have recommendations from previous Quality Assurance exercises been acted upon?	3	Yes
Has an annual Public Spending Code Quality Assurance Report been submitted to NOAC (National Oversight and Audit Commission)?	3	Yes – report submitted
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	3	Yes – Required sample reviewed
Has the Chief Executive signed off on the information to be published to the website?	3	Yes

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

Capital Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Was a Preliminary Appraisal undertaken for all projects > €5m	3	Yes
Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	3	Yes – in conjunction with the relevant Government body/agency
Was a CBA/CEA completed for all projects exceeding €20m?	N/A	There were no projects exceeding €20 million
Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes – in conjunction with the relevant government body/agency
Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the Planning and Design Phase (e.g. procurement)?	3	Yes – approval would be required in order to secure (grant) funding from the relevant government body/agency.
If a CBA/CEA was required was it submitted to DPER (CEEU) for their views?	N/A	There were no projects which required a CBA/CEA
Were the NDFA Consulted for projects costing more than €20m?	N/A	No such projects
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?		No such projects
Was approval granted to proceed to tender?	N/A	No such projects
Were Procurement Rules complied with?	N/A	No such projects
Were State Aid rules checked for all supports?	N/A	Not applicable to Local Government Sector
Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	N/A	No such projects
Were Performance Indicators specified for each project/programme that will allow for the evaluation of its efficiency and effectiveness?		No
Have steps been put in place to gather Performance Indicator data?		No

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

Current Expenditure being considered - Appraisal and Approval	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Were objectives clearly set?	3	Targets set and agreed with the relevant Government Department
Are objectives measurable in quantitative terms?	3	Yes
Was an appropriate appraisal method used?	3	Yes
Was a business case incorporating financial and economic appraisal prepared for new current expenditure?	N/A	Kildare County Council is implementing national policy under the Social Housing Strategy
Has an assessment of likely demand for the new scheme/ scheme extension been estimated based on empirical evidence?		Same response
Was the required approval granted?	N/A	Targets set and agreed with the relevant Government Department
Has a sunset clause been set?	N/A	No sunset clause applicable
Has a date been set for the pilot and its evaluation?	N/A	No pilot project
Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	N/A	Not applicable
If outsourcing was involved were Procurement Rules complied with?	N/A	Not applicable
Were Performance Indicators specified for each new current expenditure proposal or expansion of existing current expenditure which will allow for the evaluation of its efficiency and effectiveness?	N/A	Not applicable
Have steps been put in place to gather Performance Indicator data?	N/A	Not applicable

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

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	3	Yes, where appropriate
Did management boards/steering committees meet regularly as agreed?	3	Yes, where appropriate
Were Programme Co-ordinators appointed to co-ordinate implementation?	3	Yes, in most cases internal project/programme co-ordinators were put in place
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	3	Yes, in most cases internal project/programme co-ordinators were put in place
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Progress was reported on a regular basis in most cases – formally and informally
Did the project keep within its financial budget and its time schedule?	3	Yes in most cases – variations from the original budgets and timescales were agreed with the relevant government body/agency
Did budgets have to be adjusted?		Yes – up and down
Were decisions on changes to budgets / time schedules made promptly?	3	Yes
Did circumstances ever warrant questioning the viability of the project and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence)	N/A	No
If circumstances did warrant questioning the viability of a project, was the project subjected to adequate examination?	N/A	Not applicable
If costs increased, was approval received from the Sanctioning Authority?	3	Yes – approval would be required in order to draw down (grant) funding from the relevant government body/agency
Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N/A	No
For significant projects were quarterly reports on progress submitted to the MAC and to the relevant Department?	N/A	Updates were provided to the Council's Management Team and Council on a monthly basis and to the relevant government body/agency periodically or as required

Checklist 5: - For Current Expenditure

Incurring Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
Are there clear objectives for all areas of current expenditure?	3	Yes – spending programme defined as part of the Annual Budget process
Are outputs well defined?	1	Not relevant to all services / departments. National KPIs are in place for some services in the Local Government Sector.
Are outputs quantified on a regular basis?	1	Not relevant to all services / departments. Regular budget performance and monitoring is in place
Is there a method for monitoring efficiency on an ongoing basis?	1	Yes; budget performance and monitoring is in place
Are outcomes well defined?	1	The development of the Annual Service Plans will enhance this measurement
Are outcomes quantified on a regular basis?	1	The development of the Annual Service Plans will enhance this measurement
Are unit costings compiled for performance monitoring?	1	In some instances and where possible
Is there a method for monitoring effectiveness on an ongoing basis?	1	In some instances and where possible
Is there an annual process in place to plan for new VFMs, FPAs and evaluations?	N/A	The Audit Committee have a role in terms of VFM. This role will be further developed in 2018. The Internal Audit Team and the LG Auditor also have regard/evaluate VFM. FPAs are not relevant to LG Sector
How many formal VFMs/FPAs or other evaluations have been completed in the year under review?		
Have all VFMs/FPAs been published in a timely manner?	N/A	Not entirely relevant to the Local Government Sector, i.e. VFMs/FPAs are not published by Kildare County Council. VFM reviews /audits are considered by the Senior Management Team and the Audit Committee.
Is there a process to follow up on the recommendations of previous VFMs/FPAs and other evaluations?	2	VFM reviews /audits are considered by the Senior Management Team and the Audit Committee and the agreed recommendations are
How have the recommendations of VFMs, FPAs and other evaluations informed resource allocation decisions?	N/A	Resources are allocated to services on the basis of the Council's statutory duties/functions.

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

Capital Expenditure Completed	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
How many post project reviews were completed in the year under review?	N/A	No projects relevant to the PSC in 2017
Was a post project review completed for all projects/ programmes exceeding €20m?	N/A	No projects relevant to the PSC in 2017
If sufficient time has not elapsed to allow a proper assessment of benefits, has a post project review been scheduled for a future date?	N/A	No projects relevant to the PSC in 2017
Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?	N/A	No projects relevant to the PSC in 2017
Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?	N/A	No projects relevant to the PSC in 2017
Were project reviews carried out by staffing resources independent of project implementation?	N/A	No projects relevant to the PSC in 2017

Checklist 7: - to be completed if current expenditure programmes reached the end of their planned timeframe during the year or were discontinued.		
Current Expenditure that (i) reached the end of its planned timeframe or (ii) Was discontinued	Self-Assessed Compliance Rating: 1 - 3	Comment/Action Required
Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	N/A	No programmes relevant to the PSC in 2017
Did those reviews reach conclusions on whether the programmes were effective?	N/A	No programmes relevant to the PSC in 2017
Did those reviews reach conclusions on whether the programmes were efficient?	N/A	No programmes relevant to the PSC in 2017
Have the conclusions reached been taken into account in related areas of expenditure?	N/A	No programmes relevant to the PSC in 2017
Were any programmes discontinued following a review of a current expenditure programme?	N/A	No programmes relevant to the PSC in 2017
Was the review commenced and completed within a period of 6 months?	N/A	No programmes relevant to the PSC in 2017

Notes:

- (a) The scoring mechanism for the above tables is set out below:
- I. Scope for significant improvements = a score of 1
 - II. Compliant but with some improvement necessary = a score of 2
 - III. Broadly compliant = a score of 3
- (b) For some questions, the scoring mechanism is not always strictly relevant. In these cases, it is appropriate to mark as N/A and provide the required information in the commentary box as appropriate.
- (c) The focus should be on providing descriptive and contextual information to frame the compliance ratings and to address the issues raised for each question. It is also important to provide summary details of key analytical outputs for those questions which address compliance with appraisal/evaluation requirements i.e. the annual number of CBAs, VFMs/FPAs and post project reviews.

APPENDIX C

IN-DEPTH CHECKS

Quality Assurance – In-Depth Check Project 1 (Revenue)

Section A: Introduction

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

Programme or Project Information	
Name	Social Housing Leasing - Social Housing Current Expenditure Programme
Detail	To acquire units under the Social Housing Current Expenditure Programme (SHCEP) in order to provide accommodation to those on Kildare County Councils social housing list
Responsible Body	Kildare County Council
Current Status	Expenditure Being Incurred
Start Date	Scheme introduced in 2009
End Date	Ongoing - Long Term Leasing
Overall Cost	€2.574m

Programme Description

In 2009 the Department of Housing, Planning and Local Government launched the Social Housing Leasing initiative as a form of social housing provision (Circular N3/09), whereby local authorities could enter into long term leasing of private dwellings as a means of meeting the demand for social housing. The initial scheme applied only to local authorities however it was later extended to include AHBs (Circular N5/09). The revised scheme allows AHBs to enter into long term leases with private owners or purchase properties using private finance.

In 2011, the Capital Advance Leasing Facility (CALF) was introduced (Circular 31/11) whereby AHBs receive a capital advance to acquire dwellings and make them available for social housing purposes under the Social Leasing initiative (30 year term).

KCC operates the Social Housing Leasing Scheme in partnership with AHBs. KCC supports applications from AHBs for the provision of new social units through leasing only or leasing and capitally funded schemes. Applications are made by the AHB directly to the Department of Housing, Planning and Local Government. The decision of KCC to support a scheme is based on the demand for units in an area, the unit type being delivered, the rent level and the sustainability of the project. Once units are delivered, KCC enters into a Payment and Availability Agreement with the AHB. The property is then allocated to a person or family from the social housing list and KCC makes a monthly lease payment to the AHB. The lease payment is recouped from the Department.

At the end of 2017 a total of 378 leased units were delivered, an increase of 166 from the previous year. It is anticipated that an additional 94 units will be delivered in 2018.

The total expenditure on Social Leasing in 2017 was €2,574,267, an increase of €866,157 from 2016.

Section B - Step 1: Logic Model

Mapping

As part of this In-Depth Check, KCC Internal Audit Unit has completed a Programme Logic Model (PLM) for the SHCEP in operation in Kildare County Council. A PLM is a standard evaluation tool and further information on their nature is available in the Public Spending Code.

Objectives	Input	Activities	Outputs	Outcome
<p>To support Approved Housing Bodies to purchase or lease properties for inclusion in the Social Leasing Scheme. Kildare County Council enters a payment and availability agreement with the AHB. These units are then allocated to households included on Kildare County Council's social housing list.</p>	<p>Lease payments (recoupable from the Department of Housing, Planning & Local Government)</p> <p>Associated staff costs</p> <p>Finance & Housing Systems – Agresso & IHouse</p>	<p>Review proposals submitted by Approved Housing Bodies</p> <p>Support or reject proposed schemes</p> <p>Recommendation to support scheme drafted and signed by Senior Executive Officer (SEO)</p> <p>LN005 form completed and returned to the Department confirming support for the proposal</p> <p>Receipt of approval letter from the Department</p> <p>Memo drafted to Director of Housing outlining the scheme and recommending that KCC enter into a Payment & Availability Agreement with the Approved Housing Body (AHB)</p> <p>Director of Services Order is signed Approving the above</p>	<p>Actual number of units leased in 2017</p>	<p>Provision of social housing accommodation for persons on KCC social housing list. This will result in a reduction of the number of people on the waiting list.</p>

Description of Programme Logic Model

Objectives:

KCC operates the Social Housing Leasing Scheme in partnership with AHBs. KCC supports applications from AHBs for the provision of new social units through leasing only or leasing and capitally funded schemes, in order to increase the supply of social housing units available. KCC enters into a Payment & Availability Agreement with the AHB and the units are allocated to persons on the social housing list.

Inputs:

Financial Inputs: Lease payments to AHBs are recouped from the Department of Housing, Planning and Local Government.

Human Inputs: The following staff are involved in the consideration of projects and the operation of the scheme:

Director of Services

Senior Executive Officer

Administrative Officer

Staff Officer

Assistant Staff Officer

Clerical Officer

System Inputs: The following systems are used by the Social Housing Leasing Section:

Agresso Financial Management System, Housing Portal and IHouse

Activities: There are a number of key activities carried out by the Social Housing Leasing Section including:

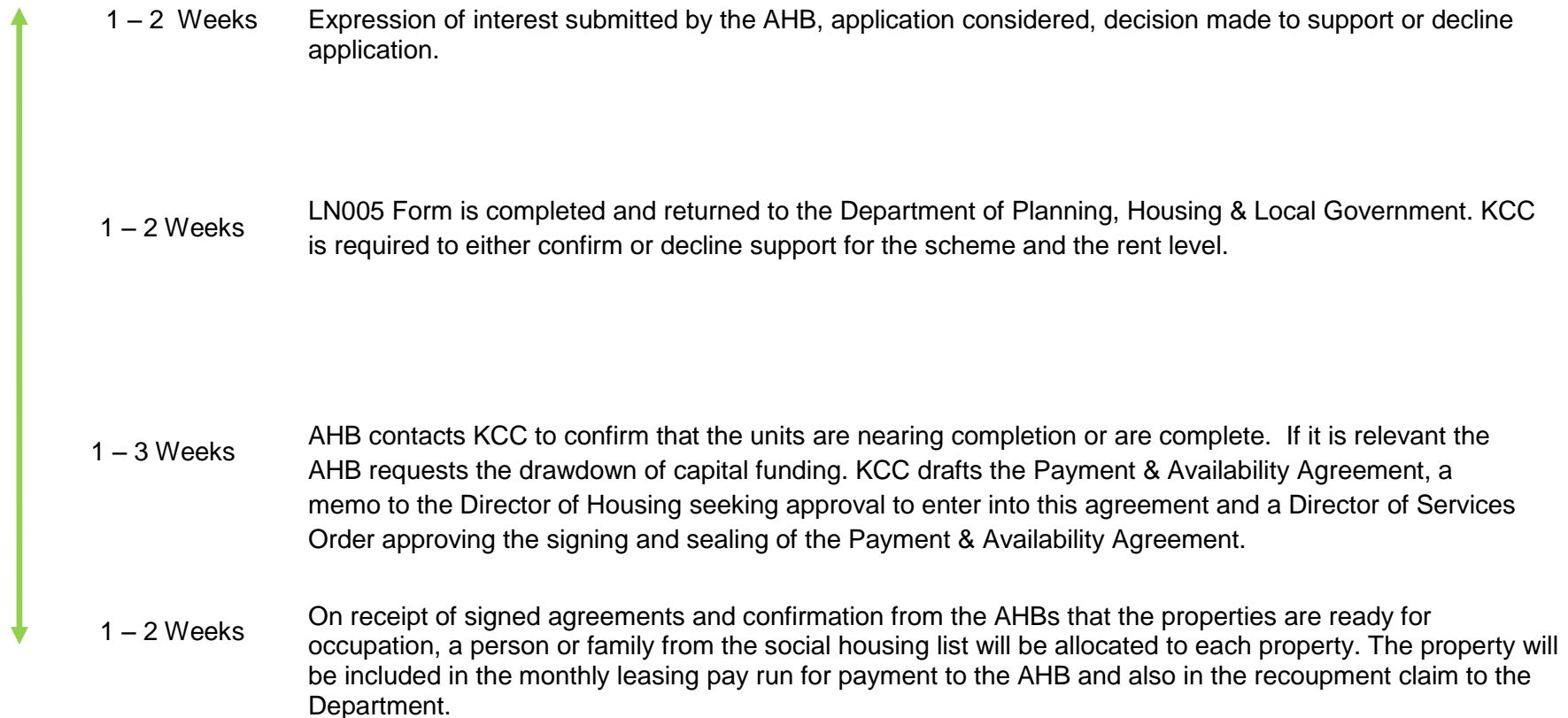
1	Assessing proposals submitted by an AHB seeking support for a scheme or individual unit. The Project is assessed by staff on the grounds of social housing demand in the area and demand for unit type i.e. number of bedrooms, Sustainability - Will the location of the units lead to a concentration of social housing, the population of the area, existing social housing within the vicinity of the scheme and other schemes in progress.
2	Making the decision to support or reject the proposal.
3	Completing LN005 form and returning it to the Department confirming support for the scheme.
4	Receipt of Approval letter issued from Department approving the leasing of units under the Social Housing Current Expenditure Programme (SHCEP).
5	Preparing a memo seeking the approval of the Director of Services to enter into a Payment & Availability Agreement with the AHB for the leasing of units to provide social housing accommodation. Directors Order is signed by the Director of Housing.
6	Preparation of a Payment & Availability Agreement for signing and sealing by KCC and the AHB.
7	Preparing a memo to the RAS Section outlining the details for the new leased units including property size, lease commencement date, monthly payment due to the AHB, term of the lease and the payee. They will then be included in the next payment run.
8	Allocation of tenants from KCC social housing list to the new properties.
9	Inclusion of properties on the Housing Portal.
10	New unit claim form LN009, LN010 or LN011 completed and sent to the Department.
11	Ongoing - Annual compliance return and monitoring of rent review periods.

Outputs: Provision of additional social housing units. The total number of units leased as 31st December 2017 was 378. The number of new units leased in the fiscal year 2017 was 166.

Outcomes: The envisaged outcome of the programme is to acquire units through leasing under Social Housing Current Expenditure Programme (SHCEP) in order to provide accommodation for those on Kildare County Councils social housing list. The social housing waiting list will reduce accordingly.

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

The following section tracks the Social Housing Leasing process from inception to conclusion. Please note that this timeline deals only with the tasks required of Kildare County Council.



It should be noted that the above is an estimation of the process. Revenue expenditure time lines are ongoing and not structured with the same start date and end date as a capital project would be.

Section B - Step 3: Analysis of Key

Documents

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

	Programme Key Documents
Title	Details
Procedure Manuals	Procedure Manual in place outlining the steps at each stage of the leasing process.
Expression of interest	Expression of interest received from AHB.
SEO Recommendation	Recommendation prepared for approval by SEO (Senior Executive Officer) outlining the proposed scheme including background information, other schemes in the area, proximity to services, demand for units and market rents.
LN005 form	The LN005 form is completed by KCC, confirming or declining support for the AHB proposal and is returned to Department of Housing, Planning & Local Government.
Approval letter to KCC from Department	Letter issued by Department of Housing, Planning & Local Government approving the leasing of units under SHCEP.
Memo and Director of Services Order	Memo prepared seeking the approval of the Director of Services to enter into a Payment & Availability Agreement with the AHB for the leasing of units to provide social housing accommodation. Director of Services Order signed.
Payment and Availability Agreement	Payment & Availability Agreement drawn up for signing and sealing by KCC and the AHB.

Memo to RAS Section	Memo to RAS Section giving payment details for new leased units which will be included in the next RAS/ Leasing payment run. Details include: Property Size, Lease commencement date, Monthly payment due, Term of lease, Payee.
Quarterly Management Report	Quarterly Reports are prepared for management outlining the properties acquired under the various categories for the purpose of providing social housing.
Rent Reviews	Rent reviews are carried out every 3 to 4 years as per the Payment & Availability Agreement. CPI calculator is used to calculate the revised rent amount. A spreadsheet is prepared by the Assistant Staff Officer outlining the calculation of the new rent figure. This is approved by the Administrative Officer.
Form LN101 Leasing Claim for new units	LN101 Claim Form completed and submitted to the Department to claim for new units
Quarterly Leasing Claim Form	Quarterly Leasing claim forms are submitted to Department for the recoupment of lease payments made to the AHBs.
Quarterly Amendment Claim Forms	Quarterly Amendment claim forms are submitted to the Department. Amendments would include changes due to rent reviews, vacancies etc.
Compliance letter	A letter is sent to each of the AHBs at the end of the year for confirmation that they are complying with the terms and conditions of their Agreement.

Key Document 1: Procedure Manuals

The Procedure documents were reviewed. The document gives step by step guidance on all stages of the Leasing process.

Key Document 2: Expression of interest

This was previously in the form of an email, letter or phone call from the AHBs. From January 2018 there is a new form available for AHBs to complete for expressions of interest.

Key Document 3: SEO Recommendation

There is a standard template for the memo. It is drafted by the Administrative Officer for approval by the SEO. The memo includes details of the background to the proposal, number of units available for lease, proposed term of the lease, proximity to services in the area, market rent and demand for units in the area.

Key Document 4: LN005 Form

This is a template form provided by the Department for completion by the Local Authority. It includes an analysis of social housing needs and of sustainable communities, value for money, Part V requirement, KCCs recommendations and any other comments.

Key Document 5: Approval letter to KCC from Department

A letter of approval issues from the Department of Housing, Planning & Local Government. The approval is subject to the conditions specified in the approval and delivery of the project and compliance with the terms of the scheme as set down in circulars N3/2009 and Housing 31/2011. It is also subject to the legal sign off on the relevant agreements.

Key Document 6: Memo and Director of Services Order

There is a standard template for the memo to the Director of Housing seeking approval to enter into the Payment & Availability Agreement. A Director of Services Order approving the signing and sealing of the Payment & Availability Agreement is duly signed.

Key Document 7: Payment & Availability Agreement

A Payment & Availability Agreement is drawn up for signing and sealing by KCC and the AHB. This agreement will cover the conditions under which the properties will be made available for the term of the agreement.

Key Document 8: Memo to RAS Section

There is a standard template for this memo. It outlines the payment details for new leased units which are to be included in the next RAS/ Leasing Payment run. The memo includes the following details: Property Size, Lease commencement date, Monthly payment due, Terms of the lease and Payee.

Key Document 9: Quarterly Management Reports

There is a template for this report which details the number of social housing units that were acquired by KCC during the quarter and the number of people who were provided with social housing accommodation during that period.

Key Document 10: Rent Review

There is a template spreadsheet for the calculation (based on CPI calculator) of rent reviews for each scheme.

Key Document 11: New unit Claim Form LN101

This a template form provided by the Department for completion by the Local Authority to claim for new units.

Key Document 12: Quarterly Leasing Claim Form

The Quarterly Leasing Claim form is submitted to the Department for existing units.

Key Document 13: Quarterly Amendment Claim Form

This form is used for claiming any amendments to previous claims, for example where a rent review has taken place, or if units were vacant for more than the period specified in the agreement.

Key Document 14: Compliance Form

A letter is sent to each of the AHBs at the end of the year requesting the following information as at 31st December:

Confirmation that rent is calculated for tenants in accordance with KCC's differential rent scheme, a report in relation to the occupancy and condition of the units, confirmation of the PPS numbers of each tenant and any period or change to vacancy.

Section B - Step 4: Data Audit

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

Data Required	Use	Availability
Financial Reports - FMS System Agresso	Expenditure and income details for revenue job codes relevant to the scheme	Yes
Number of applicants on the social housing list - IHouse	Evaluate the demand for leasing schemes / Planning resources	Yes
Number of units leased under the Social Housing Leasing Scheme – Ras/ Leasing Spreadsheet (electronic file)	Assist future budgeting/planning resources	Yes
Key documents for assessing approving and commencing a leasing agreement – Electronic and Paper Files	Future audits	Yes
Recoupment Claims sent to the Department – Electronic and paper files	To ensure all monies due are recouped	Yes – available on file
Reconciliation system – Electronic files	To reconcile lease payments made to AHBs –V- monies recouped from Department	Yes

Data Availability and Proposed Next Steps

As outlined in the table above the data required to evaluate the Social Housing Leasing scheme is readily available. Should further data be required then the Council will follow Department instructions and guidelines in this respect.

Section B - Step 5: Key Evaluation

Questions

The following section looks at the key evaluation questions for Social Housing Leasing 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)

Yes – The project is in line with the standards:

In 2009 the Department of Housing, Planning and Local Government launched the Social Housing Leasing initiative as a form of social housing provision (Circular N3/09), whereby local authorities could enter into long term leasing of private dwellings as a means of meeting the demand for social housing. The initial scheme applied only to local authorities however it was later extended to include AHBs (Circular N5/09). The revised scheme allows AHBs to enter into long term leases with private owners or purchase properties using private finance. In 2011, the Capital Advance Leasing Facility (CALF) was introduced (Circular 31/11) whereby AHBs receive a capital advance to acquire dwellings and make them available for social housing purposes under the Social Leasing initiative. KCC operates the Social Housing Leasing Scheme in partnership with the Approved Housing Bodies in accordance with terms outlined in the Circulars 2011/03, N509 and N309. Local Authorities administer the schemes on behalf of the Department. Initial appraisal for this programme was carried out at national level as part of the country's overall Housing Policy. Likewise the analysis and evaluation of the programme should be carried out at national level and the Council is only required to administer the schemes as part of the implementation of a national statutory instrument. Our audit found that written procedures are in place and are being followed for leasing administration. AHB proposals were assessed and decided upon promptly, recoupments were claimed promptly from the Department and all documents are filed and easily found.

Audit Opinion In so far as the Council's compliance with the provision of social housing leasing contributes to national policy implementation, it is considered that the programme is in **Substantial** compliance (see Appendix 1) 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 it is the opinion of Internal Audit that the data and information available can be subjected to a full evaluation in the future as all documents and files on each leasing scheme are readily available both in an electronic and paper format.

What improvements are recommended such that future processes and management

are enhanced?

Recommendation 1:

Internal Audit recommend that a comprehensive reconciliation should be carried out on an annual basis to ensure that all monies that are being paid for leasing to the AHBs are being fully recouped from the Department.

Recommendation2:

Internal Audit recommends that current written procedures should be reviewed and amended to include more detail. Going forward the procedures should be reviewed annually and updated as appropriate.

The following section presents a summary of the findings of this In-Depth Check on Social Housing Leasing

Summary of In-Depth Check

In 2009 the Department of Housing, Planning and Local Government launched the Social Housing Leasing initiative as a form of social housing provision (Circular N3/09), whereby local authorities could enter into long term leasing of private dwellings as a means of meeting the demand for social housing. The initial scheme applied only to local authorities however it was later extended to include AHBs (Circular N5/09). The revised scheme allows AHBs to enter into long term leases with private owners or purchase properties using private finance. In 2011, the Capital Advance Leasing Facility (CALF) was introduced (Circular 31/11) whereby AHBs receive a capital advance to acquire dwellings and make them available for social housing purposes under the Social Leasing initiative. KCC operates the Social Housing Leasing Scheme in partnership with the AHBs and in accordance with terms outlined in the Circulars 2011/03, N509 and N309. Local Authorities administer the schemes on behalf of the Department. Initial appraisal for this programme was carried out at national level as part of the country's overall Housing Policy. Likewise the analysis and evaluation of the programme should be carried out at national level and the Council is only required to administer the schemes as part of the implementation of a national statutory instrument. Our audit found that written procedures were in place and being followed for leasing administration, AHB proposals were assessed and decided upon promptly, recoupments were claimed promptly from the Department and all documents are filed and easily found.

Audit Opinion: In so far as the Council's compliance with the provision of social housing leasing contributes to national policy implementation, it is considered that the programme is in **Substantial** compliance (see Appendix 1) with the Public Spending Code.

Quality Assurance – In-Depth Check Project 2 (Capital)

Section A: Introduction

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

Programme or Project Information	
Name	NRO M7 Osberstown Interchange & R407 Sallins Bypass
Detail	The Scheme involves the construction of a new grade separated junction on the M7 at Osberstown and modification of the slip roads at the existing Junction 10 at Newhall, a regional road bypass of Sallins and associated link roads.
Responsible Body	Sponsoring Agency: Kildare County Council Sanctioning Authority: Department of Transport, Tourism and Sport
Current Status	Expenditure being Incurred
Start Date	Contract date 21/09/2017
End Date	Ongoing
Overall Cost	€55,000,000 approx

Project Description

This significant transport project is a key objective of Kildare County Council (KCC).

The M7 Osberstown Interchange and R407 Sallins Bypass Scheme works include the construction of a new grade separated junction on the M7 at Osberstown, the modification of the slip roads at the existing Junction 10 at Newhall and a regional road comprising the R407 bypass of Sallins and associated link roads. The R407 Sallins Bypass will be located to the west of Sallins town commencing at the new M7 Osberstown Interchange and tying into the existing R407 Clane Road to the north of Sallins Town. The bypass will proceed in a north easterly direction from the M7 Osberstown Interchange and will pass under the Dublin Cork railway line, cross over the Grand Canal and over the River Liffey in two locations, before tying into the existing R407 Clane Road. The Bypass will be approximately 3.7km in length. The Sallins Link Road will connect the R407 Sallins Bypass to the centre of Sallins town and will be approximately 1.3km in length.

The Scheme has An Bord Pleanála approval after being subject to an EIS and Public Consultation process.

Statutory orders in relation to the Schemes were published on 13th January 2014. Following consideration of submissions supporting and opposing the Orders an Oral Hearing was held in May 2014. An Bord Pleanála granted permission for the Schemes following the Oral Hearing on the 28th August 2014.

KCC progressed the Scheme through to construction phase for which a main contractor was procured. Kildare National Roads Office was tasked by KCC, DTTaS and TII with managing this process.

A Memorandum of Understanding was signed by representatives of DTTaS, TII and KCC. It establishes an agreement between the three parties in relation to the level of funding, risk apportionment and procedures associated with the funding of the Scheme.

Irish Rail Agreement

An Advance Works Contract was undertaken by Irish Rail for the provision of an underpass of the railway line in Sallins.

An agreement was made between KCC, Córas Iompair Éireann (CIE) and Iarnród Éireann (IE) on 3rd July 2017.

A brief overview of the agreement is outlined below:

- KCC agreed to facilitate the implementation of the works by securing the planning approval and to pay the costs and expenses of CIE/IE;
- CIE and IE agreed to undertake the works and to procure the carrying out and completion of same and to bear and discharge the costs and expenses in full;
- CIE and IE agreed to design, project manage and construct or procure the construction of the underbridge;
- The installation was completed as agreed on Easter Bank Holiday weekend 2018;
- KCC agreed as soon as reasonably practicable, but not later than 6 months after the date of substantial completion and at its own costs and expense, to take in charge the Council's underbridge components.

Property Valuation and Agronomy Services Contract

A decision was taken to procure this contract through the pre-existing Kildare Local Authorities Framework Agreement for provision of Property Valuation & Agronomy Services. Three consultants had been appointed by KCC to the Framework. As each consultant had undergone a thorough suitability assessment and qualitative tender process to obtain a place on the Framework the requirement for assessment of the suitability of the consultants was deemed to be unnecessary.

The three consultants were invited to tender and all three submitted an application to tender.

A tender assessment was carried out in line with the section 3.4 of the Framework. A recommendation was made to appoint the successful consultant subject to satisfying the requirements of the Framework Agreement.

Phase 5 (Engineering Services)

The aim of this procurement was to appoint a consultant to produce the Construction Phase Tender Documents and to aid in the shortlisting and assessment of the tenderers with an intention to appoint a Main Contract for the Design and Build Contract.

A decision was taken to procure this contract through the pre-existing TII Consultancy Services Framework as the Scheme aligned most appropriately with this Framework Agreement. Eight consultants had been appointed by TII to the Framework in 2015. As each consultant had undergone a thorough suitability assessment and qualitative tender process to obtain a place on the Framework the requirement for assessment of the suitability of the consultants was deemed to be unnecessary. The task order was therefore tendered on a price only basis.

Invitations to tender were issued on 11th March 2016 to the 8 consultants. The tender return date was 1st April 2016.

Five tenders were received. The tenders were opened on 4th April 2016 all were deemed to be valid. A tender assessment was carried out on 4th April 2016 on a price only basis in accordance with the issued Instructions to Tenderers and in line with the call-off rule 3.3 of the Framework. A recommendation was made to appoint a contractor subject to satisfying the requirements of the Framework Agreement and supply of valid insurance certificates.

A Chief Executive's Order was signed to award the tender.

Archaeological Consultancy Services Contract (Geophysical Survey)

The Tender process for the Archaeology Consultancy Services Contract (Geophysical Survey) was conducted in accordance with KCC's Procurement Procedures. The contract was advertised on eTenders on 9th October 2015.

Three applicants submitted tenders before the closing time of 6th November 2015. Tenders were opened on 19th November 2015 and an assessment was carried out.

The Scheme was an open tender with a two envelope system, the first envelope containing the suitability assessment and the second envelope containing the tender. Only those who passed the suitability assessment had their tender envelope opened. This ensured that a minimum standard of tenderer was only permitted to tender. It also prevented the Client showing favouritism to the lowest priced tender should they not reach the minimum requirement as the tender price was not known at the assessment stage.

Two of the tenders were deemed to be non-compliant. The one remaining tender was deemed to be compliant and was accepted subject to the provision of valid insurance certificates and tax clearance.

A Director of Services Order was signed approving the award of the contract.

Bat & Badger Surveys

The Tender process for the Bat & Badger Surveys Contract was conducted in accordance with KCC's Procurement Procedures. The contract was estimated to be below threshold and therefore 6 written quotes were requested from consultant ecologists.

The tender documents were emailed to the consultants on 25th April 2016 requesting a return of tender by 29th April 2016. One tender was received within the deadline.

As there was no other tender submitted, the marking of the tender was not required. However, a price comparison of a previous tender was carried out. The tender met the minimum requirement for the quality assessment and the price was considered to be acceptable.

The tender was accepted based on a tender sum of €8,170 (excluding VAT) subject to them supplying a valid tax certificate and Insurances and subject to TII approval.

A Director of Services Order was signed approving the award of the contract.

Archaeological Consultancy Services Contract (Technical Services)

The Tender process for the Archaeology Consultancy Services Contract (Technical Services) contract was conducted in accordance with KCC's Procurement Procedures. The contract was estimated to be €425,000 and was advertised on OJEU and on eTenders on 29th June 2016.

The Scheme was an open tender with a two envelope system, the first envelope containing the suitability assessment questionnaire (SAQ) and the second envelope containing the tender. Only those who passed the suitability assessment had their tender envelope opened. This ensured that only a minimum standard of tenderer was permitted to tender. It also prevented the Client showing favouritism to the lowest priced tender should they not reach the minimum requirement as the tender price was not known at the assessment stage.

The tender documents were put together using TII (NRA) Archaeology Tender Documents and the Department of Public Expenditure website; www.constructionprocurement.gov.ie

Two applicants submitted tenders. Of the two received one was received after the closing time and therefore was not considered.

The initial assessment of the one remaining SAQ was completed on 28th July 2016 and was deemed to have passed the Suitability Assessment.

A tender assessment was carried out. The tendered rates and prices were checked. All rates and prices tendered were considered to be acceptable.

A Director of Services Order was signed approving the award of the contract.

Ground Investigation Contract

The Tender process for the Ground Investigation Contract was conducted in accordance with KCC's Procurement Procedures. The contract was estimated to be €315,000 and was advertised on OJEU and on eTenders on 2nd August 2016.

The Scheme was an open tender with a two envelope system, the first envelope containing the standard government QW2 Suitability Assessment Questionnaire (SAQ) for the roles of Works Contractor and Project Supervisor Construction Stage and the second envelope containing the tender (including the completed Form of Tender and Schedules and the priced Bill of Quantities).

A two stage tender assessment process was followed. In the first stage only the envelope containing the SAQ was opened and the SAQ was assessed. Only those applicants who passed the minimum criteria specified in the SAQ had their tender envelope opened in the second stage of the tender assessment process. This ensured that only tenders from applicants meeting the minimum suitability criteria were considered. The two stage tender assessment process avoided the tender prices submitted having any influence on the assessment of the SAQ as the tender prices were unknown at the first stage of the assessment process.

The tender documents included the "Specification and Related Documents for Ground Investigation in Ireland", 2nd Edition, 2016 (published by Engineers Ireland).

The other contract documents were the latest versions of the pertinent documents from the Department of Public Expenditure website; www.constructionprocurement.gov.ie

The Conditions of Contract are the standard government Public Works Contract for Investigations – PW-CF7.

Four applicants submitted tenders within the deadline of the 5th September 2016.

The initial assessment of the SAQs was completed 7th September 2016. It was not possible to complete the assessment due to omissions and/or incorrect forms from all four of the submissions. Requests for clarification were issued to all four applicants on 7th September 2016, with responses to be submitted by 14th September 2016. All four applicants responded within the required deadline and clarified missing information and provided correct forms, where required. Following their responses to

the requests for clarifications, all four applicants, were deemed to have passed the Suitability Assessment.

A tender assessment was carried out. The tendered rates and prices for individual items in the Bill of Quantities submitted by all four tenders were checked. All rates and prices tendered were considered to be acceptable.

The lowest compliant tender meeting the minimum suitability criteria in the SAQ was identified and their tender was accepted based on a tender sum of €152,580.00 (excluding VAT) subject to them supplying a valid tax certificate, evidence of turnover, balance sheet, banker's letter, professional indemnity insurance, public liability insurance and employer's liability insurance.

A Director of Services Order was signed approving the award of the contract.

Phase 6 & 7 (Engineering Services)

DTTaS gave approval to proceed to tender for the project.

Following the decision to procure consultants for Phase 5 as a separate standalone contract it was necessary to procure a consultant to aid KCC in the fulfilment of the Phase 6 & 7 duties as prescribed by the NRA Project Management Guidelines 2010. Given that the estimated value of the contract was in excess of €207,000 the request for tenders was required to be published on e-tenders and through OJEU.

In line with the principals of Circular 10/14, for the encouragement of (Small & Medium Enterprises) SMEs to part-take in tender competitions it was decided that the Scheme should be procured via Open Procedure.

Open form of tender consists of a two envelope system. Envelope one contained the suitability assessment criteria of the company and envelope two contained the form of tender and the quality submission of the personnel. Under the rules of the process envelope two for each submission is only opened when the applicant has satisfactorily passed the suitability assessment.

The QC2 and ITTS2b; Suitability Assessment and Instructions to Tenderers documents and associated other forms used for this process were based on the template on the Construction Procurement Website (www.constructionprocurement.gov.ie)

In applying a phased assessment to the applicants a decision was taken that the Pre Qualification process would assess the applicant's corporate structure and capacity of the companies to handle the Scheme from a financial and resource management perspective. Further to this the pass/fail criteria were chosen to reflect the financial, commercial, health and safety and resource challenges that satisfying the requirements of this contract would place on an organisation.

To align with recommendations contained in KCC guidelines for the procurement of professional services the Most Economically Advantageous Tender (MEAT) assessment of the tender was based on 80% Quality and 20 % Price ratio.

KCC published the prequalification documents on the eTenders website on 4th April 2017. A return date of 12pm on 8th May 2017 was set in accordance with Article 38 of the EC 2004/18/EC.

In total, 3 consultants returned completed documents. The Envelope 1 submissions were opened by KCC on 9th May 2017. The Assessment Board met on 15th May 2017 and the 3 applications were assessed. One applicant was deemed to unsuccessful in the pass/fail assessment criterion.

Envelope 2 for the remaining two applicants was opened on 15th May. The Board held meetings on 15th & 17th May to examine the material presented and to award scores for each criterion.

The application receiving the highest score following the MEAT assessment was recommended for appointment.

DTTaS gave approval to award the tender and a letter of acceptance was issued to the successful applicant on 21st September 2017.

A Chief Executive's Order was signed to award the tender subject to submission of tax clearance and insurance required for the contract.

Main Contract (Design & Build)

DDTaS gave approval to proceed to tender for the project in December 2016.

The tender process for the main contract was advertised on the E-tenders website on the 9th June 2016. A return date of the 5th August 2016 for the submission of prequalification documents by applicants was set. In total, 8 applicants submitted suitability assessment questionnaires (SAQ). The 8 contractors and their design specialists were assessed for prequalification by Kildare National Roads Office in Naas to determine if the submissions met all the minimum criteria. The number of candidates to proceed to tender stage was five.

Following the pre-qualification process, KCC invited tenders for the project on 9th December 2016. The tender return date was extended to 8th June 2017.

Five tenders were received. KCC opened the tenders and forwarded them to the Employer's Representative and requested that they undertake an assessment of the tender submissions and prepare a Report on Tenders.

The lowest comparative cost tender was identified and the successful contractor was recommended.

DDTaS gave approval to accept the tender on 21st September 2017 and a letter of acceptance was issued to the successful applicant.

A Chief Executive's Order was signed to award the tender.

Other

- A Project Manager was appointed to manage and control all aspects of the project on behalf of Kildare NRO.
- There is documentary evidence of agendas and minutes of regular Steering Committee meetings that have been held throughout the project. Milestones and other performance measurements are being monitored and agreed at each meeting held.
- Other meetings include: Construction Stage Monitoring meetings, Construction Stage Finance meetings, Contractors Progress meetings, Project Board meetings, Traffic Management meetings and Land Liaison meetings.
- DDTaS authorised TII to approve Change Orders associated with this Scheme. While sign off approvals for Change Orders are detailed in Appendix C of the Memorandum of Understanding for this Scheme (see table 1.1 below) DDTaS have insisted that all Change Orders must be approved by TII regardless of their individual or cumulative value. There are a number of change orders for this Scheme and each will be properly processed and referred to Transport Infrastructure Ireland (TII) for formal approval.

Table 1.1 Change Order Approval Levels

Budget Code	Nature of Contract or Contract Amendments	CEO Delegated Approvals, Thresholds and Board Notification Requirements			
TII Sanctioned Projects - Local Authority Contract (B1.1)	Award of Works Contracts (Local Authority Director of Services approves up to €200k)-Subject to notification from TII	€200k to €2m Grade 1 Sal 1	€2m to €5m SAL 1 PAH	€5m to €50m Director CEO	>€50m CEO Board To Note
	Award of Services Contracts (Local Authority Director of Services approves up to €100k)-Subject to notification from TII	€100k to €1m Grade 1 Sal 1	€1m to €2m SAL 1 PAH	€2m to €5m Director CEO	>€5m CEO Board to Note
	Amendments of Major Works Contracts as a cumulative percentage of original contract value	Up to 2% LA Director of Services	2% to 5% Grade 1 SAL1	5% to 10% SAL1 PAH	>10% Director CEO
	Amendments to Service Contracts as a cumulative percentage of original contract value where the contract award value exceeds €100k as above	Up to 2% LA Director of Services	2% to 5% Grade 1 SAL1	5% to 10% SAL1 PAH	>25% Director CEO
	Cumulative Amendments for all contracts in excess of €1ml	CEO			

TII DTTaS

Director	A Gen Sec
CEO	Gen Sec

Section B - Step 1: Logic Model Mapping

As part of this In-Depth Check, Internal Audit, KCC completed a Programme Logic Model (PLM) for the *NRO M7 Osberstown Interchange & R407 Sallins Bypass*. A PLM is a standard evaluation tool and further information on their nature is available in the [Public Spending Code](#).

Objectives	Inputs	Activities	Expected Outputs	Expected Outcomes
<p>The M7 Osberstown Interchange and R407 Sallins Bypass are key transport objectives of local and regional planning documents.</p> <p>Provision of a new motorway connection to the existing road network and additional linkage from the new connection to bypass the town of Sallins.</p> <p>Address inadequate capacity on the existing R407 Sallins Road.</p> <p>Removal of regional traffic from the local road network in Naas.</p> <p>Removal of traffic from the centre of Sallins town.</p> <p>To facilitate planned and zoned development.</p>	<p>Budget of €55 million (approximately)</p> <p>Associated Staff Costs</p> <p>Various systems</p> <p>DDTaS funding</p> <p>Funding of €10 million towards the cost of this Scheme implementation has been received from a developer as their development had been conditioned to provide a new interchange on the M7</p>	<p>Design</p> <p>Land & Property</p> <p>Construction</p> <p>Construction Supervision</p> <p>Archaeology</p> <p>Residual Network</p> <p>Tender assessment & award</p> <p>Award of Contracts</p> <p>Administration</p> <p>Project management</p> <p>Monitoring progress</p> <p>Road Construction</p> <p>Bridge Construction</p>	<p>A new interchange on the M7.</p> <p>A new R407 Sallins bypass.</p> <p>An Advance Works Contract will be undertaken by Irish Rail for the provision of an underpass of the railway line in Sallins.</p>	<p>Reduction in current congestion levels on the road network thus releasing capacity for more sustainable modes of transport.</p> <p>Reduced journey times.</p> <p>Improved safety.</p> <p>Improved accessibility to the public transport network.</p> <p>Allowing advancement of sustainable transport planning at a local level.</p>

Description of Programme Logic Model

Objectives: The M7 Osberstown Interchange and R407 Sallins Bypass are key transport objectives of national, regional and local planning documents, including the Regional Planning Guidelines for the Greater Dublin Area, KCC Development Plan, the Naas Town Development Plan and the Sallins Local Area Plan, all of which envisage continued expansion and growth of Naas and environs in a planned fashion and in accordance with National, Regional and Local Planning policy.

The review of National, Regional and Local planning policy considered that the provision of the Scheme will, in conjunction with the M7 Naas to Newbridge Bypass Scheme, relieve peak period traffic congestion at Maudlins and Newhall as well as the local and regional road network by providing additional connectivity between the local and regional network and the national road network.

A key component of this development is the provision of a new motorway connection to the existing road network together with the additional linkage from this new motorway connection to bypass the town of Sallins.

The Scheme will provide a convenient connection to the existing Sallins Train Station, and will encourage greater use of the existing 'park and ride' facilities.

Other objectives of this Scheme are outlined below;

- Facilitate and promote the development of Naas as a Large Growth Town I and a Primary Development Centre within the context of both the Regional Planning Guidelines for the Greater Dublin Area and the National Spatial Strategy respectively;
- Facilitate improved public transport services including a north/south public transport link across the M7 Motorway between Sallins and Naas in accordance with KCC's Development Plan;
- Provide for the future achievement of the Sallins Local Area Plan objective for a Public Transport Interchange connecting the M7 Motorway and the railway (the proposed Sallins / regional Railway Interchange Station);
- Relieve congestion within the town of Sallins, which will facilitate greater local accessibility within the town, with an improved streetscape, which will encourage local growth;
- Facilitate planned development of zoned land within the Naas Northwest Quadrant in accordance with National, Regional and Local development plans and objectives.

Inputs:

Financial Inputs: The primary input to the programme is the capital funding from the Sanctioning Authority and developer contributions.

Human Inputs: The project team originally consisted of 1 Senior Executive Engineer, 1 Executive Engineers and 1 Administrative Officer with clerical support.

System Inputs: The systems used for the Scheme are listed below.

System	Used for
TII Project Reporting System (PRS)	Allocation of funds from DTTAs (claimed through TII's RPS system)
Agresso	Financial Management System
ISO 9001 Quality Management System	Document & Data control
TII Project Management Guidelines (where applicable)	Scheme Project Management

Activities: There are a number of key activities to be carried out throughout the project including: Design, Land & Property, Construction, Construction Supervision, Archaeology, Residual Network, tendering, assessing submitted tenders, awarding final contracts, liaising with contractors, monthly progress meetings, design review and approval, agreeing change orders, land liaison and third party liaison. In addition the contract must be project managed and administered during works and upon completion a post project review should be carried out.

Expected Outputs: Having carried out the identified activities using the inputs, the output of the project will be a new interchange on the M7 at Osberstown, midway between Junction 9 Naas North and Junction 10 Naas South, a new R407 Sallins bypass will link from the new Osberstown Interchange and bypass Sallins to the West for 3.1km and tie in to the existing R407 Clane Road. An Advance Works Contract has been undertaken by Irish Rail for the provision of an underpass of the railway line in Sallins.

Expected Outcomes: It is expected that a reduction in current congestion levels on regional and local road network will be realised thus releasing capacity there for more sustainable modes of transport. The new M7 Osberstown Interchange will provide improved access to the motorway and, in conjunction with the M7 upgrade, will relieve the peak period traffic congestion currently experienced at Junction 9 (Maudlins) and Junction 10 (Newhall). The Sallins Bypass is a key piece of local infrastructure, which will relieve congestion in Sallins town centre and provide additional connectivity to the M7 Motorway Corridor. Overall, the Scheme will facilitate the future development of Naas as a large growth town and primary development centre. In addition the following outcomes are expected: a reduced journey times for long distance and local traffic, improvement of safety along the existing roads and junctions, improved accessibility to the public transport network and the advancement of sustainable transport planning at a local level.

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

The following section tracks NRO M7 Osberstown Interchange & R407 Sallins Bypass from inception to date in terms of major project/programme milestones.

Project Stage	Milestones	Date
Project Handover to KCC	An Bord Pleanála approval	2014
Phase 5 (Engineering Services)	Tendered	March 2016
	Awarded	April 2016
	Completed	September 2017
Archaeological Consultancy Services (Geophysical Survey)	Tendered	October 2015
	Awarded	January 2016
	Completed	January 2017
Bat & Badger Surveys	Tendered	April 2016
	Awarded	May 2016
	Completed	June 2016
Archaeological Consultancy Services (Technical Services)	Tendered	June 2016
	Awarded	August 2016
	Completed	Ongoing
Ground Investigation Contract	Tendered	August 2016
	Awarded	December 2016
	Completed	October 2017
Phase 6 & 7 (Engineering Services)	Tendered	April 2017
	Awarded	August 2017
	Completed	Ongoing
Main Contract (Design & Build)	Tendered	June 2016
	Awarded	September 2017
	Works Commenced	October 2017 and ongoing

Section B - Step 3: Analysis of Key Documents

The following section reviews the key documentation relating to appraisal, analysis and evaluation for *NRO M7 Osberstown Interchange & R407 Sallins Bypass*

Project/Programme Key Documents	
Title	Details
Contractor Procurement / Report on Tenders	Contractor Procurement process examined including Contract Notice, Completed Suitability Questionnaires, Tenders and Report on Tenders.
Letters of acceptance & contracts	Signed on behalf of KCC. The awarded contract for the project.
Chief Executive Order	Chief Executive's Orders signed to award tenders
Minutes of meetings	Agendas and Minutes of Meetings: Steering Committee Meetings, Construction Stage Monitoring meetings, Construction Stage Finance meetings, Contractors Progress meetings, Project Board meetings, Traffic Management meetings and Land Liaison meetings.
Change Orders	Schedule of change orders
Interim Valuation Payment Certificates	Certificates from by the Employer's Representative detailing amounts due in respect of work completed satisfactorily on the contract (less retention)

Key Document 1: Contractor Procurement/Report on Tenders

The main works contractor was procured using the restricted procedures set out in the *European Communities (Award of Public Authorities Contracts) Regulations 2006*. Competitive tendering was required for this contract.

In cases where contracts were estimated to be under €50,000 tenders were requested from at least three specialist contractors.

In all cases the tender process was conducted in accordance with KCC's tendering procurement procedures.

Procedural requirements involved in the tendering process have been complied with in respect of the appointment of all contractors for this project. There is documentary evidence to verify that all tenders were advertised and assessed in accordance with the relevant legislation.

Key Document 2: Letters of acceptance / Main Contract

The letters of acceptance to the contractors verifying the acceptance of the Tender was reviewed along with the Contract.

Key Document 3: Chief Executive Order

The Chief Executive Orders signed to accept the tenders.

Key Document 4: Agendas / Minutes of Meetings

There is documentary evidence of agendas and minutes of meetings that were held throughout the project. These meetings included representatives from KCC. The minutes provide a comprehensive record of those present, matters discussed, outcomes agreed and actions required along with assigned responsibilities.

Key Document 5: Change Orders

DDTaS authorised TII to approve Change Orders associated with this Scheme. There are a number of change orders for this Scheme and each will be properly processed and referred to Transport Infrastructure Ireland (TII) for formal approval.

Key Document 6: Interim Payment Certificates

Certificates from by the Employer's Representative detailing amounts due in respect of work completed satisfactorily on the contract (less retention).

Section B - Step 4: Data Audit

The following section details the data audit that was carried out for NRO M7 Osberstown Interchange & R407 Sallins Bypass. It evaluates whether appropriate data is available for the future evaluation of the project/programme.

Data Required	Use	Availability
FMS System Agresso – Financial Reports	Expenditure and income details for capital job codes relevant to this Scheme	Yes
Total project outturn versus budget	Assess project appraisal and management overall	Yes
Reports from Employer’s Representative	Reports on finance and progress on project	Yes
KCC Monthly Finance Report	Monthly reporting on the financial standing of the project	Yes
Agendas and minutes of Steering Committee meetings, Construction Stage Monitoring meetings, Construction Stage Finance meetings, Contractors Progress meetings, Project Board meetings, Traffic Management meetings and Land Liaison meetings.	Details of meetings that have been held throughout the project. To demonstrate that agreed milestones and other performance measurements are being monitored and agreed on a regular basis.	Yes

Data Availability and Proposed Next Steps

It can be seen from the table above that the data required to evaluate the project is readily available.

Section B - Step 5: Key Evaluation Questions

The following section looks at the key evaluation questions for *NRO M7 Osberstown / Interchange & Sallins Bypass* 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)

Yes – The project is in line with the standards:

The main works contractor was procured using the restricted procedures set out in the European Communities (Award of Public Authorities Contracts) Regulations 2006. In cases where contracts were estimated to be under €50,000, tenders were requested from at least three specialist contractors. The tender processes were conducted in accordance with KCC's procurement procedures. Procedural requirements involved in the tendering process have been complied with in respect of the appointment of contractors for this project. There is documentary evidence to verify that all tenders were advertised and assessed in accordance with the relevant legislation. Chief Executive Orders were signed in accordance with procedures. There is clear documentary evidence of agendas and minutes of regular meetings that were held throughout the duration of the project. These meetings included representatives from KCC. The minutes provide a comprehensive record of those present, matters discussed, outcomes agreed and actions required along with assigned responsibilities. There are a number of change orders, each has been properly processed and referred to Transport Infrastructure Ireland for formal approval and the relevant documentation is available to verify this.

Audit Opinion: It is the opinion of Internal Audit that the NRO M7 Osberstown Interchange & R407 Sallins Bypass is in **substantial** compliance with the requirements of the Public Spending Code (See appendix 1). There is a robust system of risk management, control and governance in place throughout the project and key milestones and objectives have been met on an ongoing basis. There is a clear audit trail and documentary back-up on file. The project is run efficiently and effectively and the objectives of the Scheme are on schedule to be realised. There have been additional costs incurred over the tender price. All the extra costs were documented through change orders, approved and explained prior to their completion. The review highlighted issues regarding the reconciliation of the capital code on the Agresso Financial Management System. On analysis, Internal Audit was unable to obtain a detailed spreadsheet showing the reconciliation. Further information on this is detailed in the recommendations of the report.

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

Yes. There are a number of criteria by which the success or otherwise of the project can be measured. Compilation of the necessary data is relatively straightforward using the management reporting framework already in place throughout the organisation.

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

Recommendation 1:

Notwithstanding the audit opinion above, it is important that all relevant council expenditure is in substantial compliance with the Public Spending Code. Staff should be reminded that compliance with the code needs to underpin every stage of the project life cycle. Training should also be provided for relevant staff to ensure substantial compliance with the Public Spending Code in all instances. The checklists used in the Public Spending Code should be used as reference documents by all staff undertaking works to which the terms of the Public Spending Code may apply.

Recommendation 2:

A post project review should be carried out on the NRO M7 Osberstown Interchange & R407 Sallins Bypass as soon as possible after the project is completed to assess the overall success of the project.

Recommendation 3:

The review highlighted issues regarding the reconciliation of the capital code on the Agresso Financial Management System. On analysis, Internal Audit were unable to obtain a detailed spreadsheet showing the reconciliation. This would not be seen as best practice. We highlighted this issue with the department and recommended that procedures and processes are updated to include an ongoing reconciliation of the income and expenditure account of the project. We recommend that Agresso FMS accounts should be balanced on a quarterly basis and cross checked with the relevant project managers to ensure that all projects are being accounted for accurately.

Section: In-Depth Check Summary

The following section presents a summary of the findings of this In-Depth Check on *NRO M7 Osberstown Interchange & R407 Sallins Bypass*.

Summary of In-Depth Check

The M7 Osberstown Interchange and R407 Sallins Bypass Scheme works include the construction of a new grade separated junction on the M7 at Osberstown and modification of the slip roads at the existing Junction 10 at Newhall, a regional road comprising the R407 bypass of Sallins and associated link roads. The R407 Sallins Bypass will be located to the west of Sallins town commencing at the proposed M7 Osberstown Interchange and tying into the existing R407 Clane Road to the north of Sallins Town. The bypass will proceed in a north easterly direction from the M& Osberstown Interchange and will pass under the Dublin Cork railway line, cross over the Grand Canal and over the River Liffey in two locations, before tying into the existing R407 Clane Road. The Bypass will be approximately 3.7km in length. The Sallins Link Road will connect the R407 Sallins Bypass to the centre of Sallins town and will be approximately 13km in length.

The main works contractor was procured using the restricted procedures set out in the European Communities (Award of Public Authorities Contracts) Regulations 2006. In cases where contracts were estimated to be under €50,000, tenders were requested from at least three specialist contractors. The tender processes were conducted in accordance with KCC's procurement procedures. Procedural requirements involved in the tendering process have been complied with in respect of the appointment of contractors for this project. There is documentary evidence to verify that all tenders were advertised and assessed in accordance with the relevant legislation. Chief Executive Orders were signed in accordance with procedures. There is documentary evidence of agendas and minutes of regular meetings that were held throughout the duration of the project. These meetings included representatives from KCC. The minutes provide a comprehensive record of those present, matters discussed, outcomes agreed and actions required along with assigned responsibilities. There are a number of change orders, each has been properly processed and referred to Transport Infrastructure Ireland for formal approval and the relevant documentation is available to verify this.

Audit Opinion: It is the opinion of Internal Audit that the NRO M7 Osberstown Interchange & R407 Sallins Bypass is in **substantial** compliance with the requirements of the Public Spending Code (See appendix 1). There is a robust system of risk management, control and governance in place throughout the project and key milestones and objectives have been met on an ongoing basis. There is a clear audit trail and documentary back-up on file. The project is run efficiently and effectively and the objectives of the Scheme are on schedule to be realised. There have been additional costs incurred over the tender price. All the extra costs were documented through change orders, approved and explained prior to their completion. The review highlighted issues regarding the reconciliation of the capital code on the Agresso Financial Management System. On analysis, Internal Audit was unable to obtain a detailed spreadsheet showing the reconciliation. Further information on this is detailed in the recommendations of the report.

Appendix 1

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 its' objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing Opinion:	The level of non compliance puts the system objectives at risk.
UNACCEPTABLE	Evaluation Opinion:	The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.
	Testing Opinion:	Significant non-compliance with the basic controls leaves the system open to error or abuse.