



**An Roinn Iompair
Turasóireachta agus Spóirt**

Department of Transport,
Tourism and Sport

Quality Assurance Report for Expenditure in 2014

Department of Transport, Tourism and Sport

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



Irish Government Economic & Evaluation Service

Certification

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

Signature of Accounting Officer:

A handwritten signature in black ink, appearing to read 'John Walsh', written in a cursive style.

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1. Introduction

The Department of Transport, Tourism and Sport's Economic and Financial Evaluation Unit has completed this Quality Assurance (QA) Report as part of the Department's on-going compliance with the Public Spending Code (PSC).

The Quality Assurance procedure aims to gauge the extent to which Departments and their associated agencies are meeting the obligations set out in the Public Spending Code¹. The Public Spending Code ensures that the State achieves value for money in the use of all public funds.

The Quality Assurance Process contains five steps:

- 1. Drawing up Inventories of all projects/programmes at different stages of the Project Life Cycle** (appraisal, planning/design, implementation, post implementation). The three stages are expenditure being considered, expenditure being incurred and expenditure that has recently ended and the inventory includes all projects/programmes above €0.5m.
- 2. Publish summary information on website of all procurements in excess of €10m, whether new, in progress or completed.**
- 3. Checklists to be completed in respect of the different stages.** These checklists allow the Department and its agencies to self-assess their compliance with the code in respect of the checklists which are provided through the PSC document.
- 4. Carry out a more in-depth check on a small number of selected projects/programmes.** A number of projects or programmes (at least 5% of total spending²) are selected to be reviewed more intensively. This includes a review of all projects from ex-post to ex-ante.
- 5. Complete a short report for the Department of Public Expenditure and Reform** which includes the inventory of all projects, the website reference for the publication of procurements above €10m, the completed checklists, the Department's judgement on the adequacy of processes given the findings from the in-depth checks and the Department's proposals to remedy any discovered inadequacies.

This report fulfils the fifth requirement of the QA Process for the Department of Transport, Tourism and Sport for expenditure in 2014.

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

² Or 5% average over three years

2. Expenditure Analysis

2.1 Inventory of Projects and Programmes

This section details the inventory drawn up by the Department of Transport, Tourism and Sport in accordance with the guidance on the Quality Assurance process. The inventory lists all of the Department's projects and programmes at various stages of the project life cycle which amount to more than €0.5m³. This inventory is divided between current and capital expenditure and between three stages:

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

Tables 1, 2 and 3 list a summary of the Department's compiled inventory. Full tables including details of each programme/project are listed in Appendix 1. For the purposes of clarity and accuracy the inventory was compiled with the same heading format as the revised estimates completed by the Department in 2014. Agencies/relevant Departmental bodies were also requested to compile an inventory of their projects and programmes.

Expenditure Being Considered

Table 1 provides a summary of the inventory of expenditures above €0.5m being considered by DTTAS and its related agencies and bodies. As the table identifies, there are a total of 90 projects/programmes being considered across the various spending and value categories. The full breakdown and description of these projects is listed in Appendix 1.

Expenditure Being Incurred

Table 2 provides a summary of the inventory of expenditures above €0.5m being incurred by DTTAS and its related bodies. In total there are 178 projects or programmes which are currently incurring expenditure of over €0.5m⁴. The full breakdown and description of these projects is listed in Appendix 1.

Expenditure Recently Ended

Table 3 provides a summary of the inventory of expenditures above €0.5m recently ended by DTTAS and its related bodies. There are 65 projects or programmes that have recently ended. The full breakdown and description of these projects is listed in Appendix 1.

³ The inventory relies on estimates of total cost for a number of programmes and projects, particularly those under consideration.

⁴ Values are listed as being total project in some cases rather than specific amount in 2014.

Table 1: Expenditure Projects Being Considered by Category

Subhead	Subhead Description	Current Expenditure			Capital Expenditure		
		A	B	C	A	B	C
A.3.	Regional Airports	0	0	0	0	0	0
B.3	Road Improvement and Maintenance	0	0	0	14	27	27
B.6	Smarter Travel and Carbon Reduction	0	0	0	0	0	0
B.7.	Public Service Provision Payments	0	0	0	0	0	0
B.8.	Public Transport Investment Programme	0	0	0	6	7	3
C.3	Maritime Administration and Irish Coast Guard	0	0	0	0	0	0
D.3.	Grants for Sporting Bodies and the Provision of Sports and Recreational Facilities	0	0	0	2	0	1
D.4.	Grants for the Provision and Renovation of Swimming Pools	0	0	0	0	0	0
D.5	Irish Sports Council/National Sports Development Authority	0	0	0	1	2	0
E.3/E.5/E.6	Failte Ireland/ Tourism Marketing Fund/ Tourism Product Development (Grant in Aid Fund)	0	0	0	0	0	0
E.4	Tourism Ireland Limited	0	0	0	0	0	0
Other	Dttas - HR	0	0	0	0	0	0
TOTAL		0	0	0	23	36	31

A: €0.5-5m, B: €5-20m, C: > €20m

A number of trends emerge in terms of the composition of expenditure over €500,000 being considered. The key points in this regard are listed below:

- All of the projects under consideration entail capital expenditure rather than current expenditure.
- The vast majority of projects being considered are roads projects with 14 projects in the €0.5-5 million band, 27 projects in the €5-20 million band and 27 projects with a working value of over €20 million.
- A number of projects are cited as being under consideration in the public transport area. However, a number of potential projects may be added to this pending the completion of the National Transport Authority's Greater Dublin Area Transport Plan.
- There are 6 projects being considered on the sports side with no new tourism projects over €500,000 under consideration currently.
- Full details of all the cited projects and programmes are available in Appendix 1.

Table 2: Expenditure Being Incurred by Category

Subhead	Subhead Description	Current Expenditure			Capital Expenditure		
		A	B	C	A	B	C
A.3.	Regional Airports	0	0	0	0	0	0
B.3	Road Improvement and Maintenance	2	3	6	33	5	18
B.6	Smarter Travel and Carbon Reduction	1	0	0	2	1	0
B.7.	Public Service Provision Payments	0	0	3	0	0	0
B.8.	Public Transport Investment Programme	2	1	0	44	11	13
C.3	Maritime Administration and Irish Coast Guard	0	0	1	1	1	0
D.3.	Grants for Sporting Bodies and the Provision of Sports and Recreational Facilities	0	0	0	0	0	1
D.4.	Grants for the Provision and Renovation of Swimming Pools	0	0	0	0	1	0
D.5	Irish Sports Council/National Sports Development Authority	4	3	0	5	0	1
E.3/E.5/E.6	Failte Ireland/ Tourism Marketing Fund/ Tourism Product Development (Grant in Aid Fund)	11	0	0	0	2	0
E.4	Tourism Ireland Limited	0	1	1	0	0	0
Other	Dttas - HR	0	0	0	0	0	0
TOTAL		20	8	11	85	21	33

A: €0.5-5m, B: €5-20m, C: > €20m

A number of trends emerge in terms of the composition of expenditure over €500,000 being incurred. The key points in this regard are listed below:

- Roads and public transport make up the bulk of projects and programmes.
- With regard to roads, there were 11 current programmes and 56 capital projects incurring expenditure greater than €500,000 in 2014.
- On the public transport side, there are 6 current programmes, including PSO payments, and 68 capital projects of various sizes incurring expenditure in 2014.
- There were a number of projects and programmes incurring expenditure in areas such as sustainable travel, maritime, sports and tourism.
- Full details of all the cited projects and programmes are available in Appendix 1.

Table 3: Expenditure Recently Ended by Category

Subhead	Subhead Description	Current Expenditure			Capital Expenditure		
		A	B	C	A	B	C
A.3.	Regional Airports	1	1	0	1	0	0
B.3	Road Improvement and Maintenance	0	0	0	12	1	2
B.6	Smarter Travel and Carbon Reduction	0	0	0	0	1	0
B.7.	Public Service Provision Payments	0	0	0	0	0	0
B.8.	Public Transport Investment Programme	0	0	0	32	2	6
C.3	Maritime Administration and Irish Coast Guard	0	0	0	2	0	0
D.3.	Grants for Sporting Bodies and the Provision of Sports and Recreational Facilities	0	0	0	4	0	0
D.4.	Grants for the Provision and Renovation of Swimming Pools	0	0	0	0	0	0
D.5	Irish Sports Council/National Sports Development Authority	0	0	0	0	0	0
E.3/E.5/E.6	Failte Ireland/ Tourism Marketing Fund/ Tourism Product Development (Grant in Aid Fund)	0	0	0	0	0	0
E.4	Tourism Ireland Limited	0	0	0	0	0	0
Other	Dttas - HR	0	0	0	0	0	0
TOTAL		1	1	0	51	4	8

A: €0.5-5m, B: €5-20m, C: > €20m

A number of trends emerge in terms of the composition of expenditure over €500,000 recently ended. The key points in this regard are listed below:

- Capital projects in roads and public transport make up the majority of projects and programmes that have recently ended.
- With regard to roads, there were 40 capital projects greater than €500,000 which ended in 2014.
- There were 68 capital projects of various sizes incurring expenditure in 2014.
- There were 2 programmes on the current side which ended in 2014, both in the aviation sector.
- Full details of all the cited projects and programmes are available in Appendix 1.

3. Published Summary of Procurements

As part of the Quality Assurance process the Department of Transport, Tourism and Sport has published summary information on our website of all procurements in excess of €10m. Listed below is the link to this publication page and an illustration of its location.

Link to Procurement Publications:

<http://www.dttas.ie/corporate/english/procurement-over-%E2%82%AC10-million>

The screenshot shows the website interface for the Department of Transport, Tourism and Sport. At the top, there is a navigation menu with links for HOME, ABOUT US, CONTACT US, PRESS CENTRE, PUBLICATIONS, OFFICIAL LANGUAGES ACT, and ACCESSIBLE TRAVEL. Below this is a search bar. The main navigation bar includes links for Corporate Information, Aviation, Public Transport, Roads, Maritime, Tourism, and Sport. The current page is titled 'Procurement over €10 million' and is part of a breadcrumb trail: Home » Corporate Information » Financial Information » Procurement over €10 million. A left-hand sidebar contains a list of navigation options, with 'Procurement over €10 million' highlighted. The main content area features the heading 'Procurement over €10 million' and a paragraph stating that procurements over €10 million will be published here. It also mentions that there was one procurement in 2014 (Irish Coast Guard) and that details are listed below. A 'File Attachment' section lists five links: Irish Coast Guard procurement information, Irish Rail procurement information, National Sports Campus Development Authority procurement information, National Transport Authority procurement information, Tourism Ireland procurement information, and National Roads Authority procurement information.

Source: www.dttas.ie

4. Assessment of Compliance

4.1 Self-Assessment Checklists

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

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

Checklist 2: Capital 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

Checklists 1-7 were completed by DTTAS. The Department requested that agencies/relevant bodies each complete checklists 2-7. It was agreed the National Transport Authority would complete the checklists on behalf of Dublin Bus, Bus Éireann and Irish Rail (GDA expenditure). The DTTaS set of checklists are set out in Table 4 below. The completed individual checklists for Departmental agencies are listed in Appendix 2 of this report and an overview analysis is provided in section 3.2. Each question in the checklist is judged by a 3 point scale. In addition to the self-assessed scoring, the vast majority of answers are accompanied by explanatory comments.

The 3 point scoring scale is set out as follows;

1 = Scope for Significant Improvements

2 = Compliant but Some Improvement Necessary

3 = Broadly Compliant

Table 4 - DTTaS Checklist 1: General Obligations

Question	Rating (0-3)	Comment/Action Required
Does the Department ensure, on an on-going basis that appropriate people within the Department and in its agencies are aware of the requirements of the Public Spending Code?	3	All relevant staff are aware
Has there been participation by relevant staff in external training on the Public Spending Code? (i.e. DPER)	2	Some related training through IGEES network but no central training provided by DPER
Has internal training on the Public Spending Code been provided to relevant staff?	1	Not to date, this will be carried out in 2015
Has the Public Spending Code been adapted for the type of project/programme that your Department is responsible for? i.e. have adapted sectoral guidelines been developed?	3	Yes, sectoral appraisal guidelines developed and update forthcoming
Has the Department in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	3	Yes, through the QA Process and associated VfM and FPA reviews.
Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Department and to your agencies?	3	Yes, all spot checks carried out have been discussed with relevant division/agency.
Have recommendations from previous Quality Assurance exercises been acted upon?	3	Yes, we have significantly improved our in-depth check process for example.
Has an annual Public Spending Code Quality Assurance Report been submitted to the Department of Public Expenditure & Reform?	3	Yes
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	3	Yes, see section 3.3 of this report
Has the Accounting Officer signed off on the information to be published to the website?	3	Yes

Table 5 - DTTaS Checklist 2: Capital Expenditure Being Considered		
Question	Rating (1-3)	Comment/Action Required
Was a Preliminary Appraisal undertaken for all projects > €5m	3	Yes-capital expenditure being considered primarily relates to roads and PT for which appraisal reports have been prepared
Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	3	Yes. In the case of schemes that went through appraisal in earlier years, appraisal method used was the one applicable at the time
Was a CBA/CEA completed for all projects exceeding €20m?	3	Yes
Was the appraisal process commenced at an early stage to facilitate decision making? (i.e. prior to the decision)	3	Yes
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. Projects below the €5m threshold were approved in line with internal procedures
If a CBA/CEA was required was it submitted to DPER (CEEU) for their views?	3	None were required on roads side in 2014. Noted that there may be 2 in 2015.
Were the NDFA Consulted for projects costing more than €20m?	3	Regular review on roads side of potential PPP possibilities; NDFA part of consultation. Not applicable on PT
Were all projects that went forward for tender in line with the Approval in Principle and if not was the detailed appraisal revisited and a fresh Approval in Principle granted?	3	PT projects not progressed as far as tender stage
Was approval granted to proceed to tender?	3	For NTA projects with a project execution plan.
Were Procurement Rules complied with?	3	Yes
Were State Aid rules checked for all supports?	3	Yes

Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	3	Yes
Were Performance Indicators specified for each project/programme which will allow for the evaluation of its efficiency and effectiveness?	3	Targets/outcomes have been used. In the case of the Infrastructure Manager Multi-Annual Contract (IMMAC), global performance indicators have been applied to the contract
Have steps been put in place to gather Performance Indicator data?	3	Yes where projects have progressed. In the case of rail, there is an established process to attribute delay minutes and service cancellations by cause.

Table 6 - DTTaS Checklist 3: Current Expenditure Being Considered		
Question	Rating (0-3)	Comment/Action Required
Were objectives clearly set?	3	No Current expenditure being considered in 2014
Are objectives measurable in quantitative terms?	3	No Current expenditure being considered in 2014
Was an appropriate appraisal method used?	3	No Current expenditure being considered in 2014
Was a business case incorporating financial and economic appraisal prepared for new current expenditure?	3	No Current expenditure being considered in 2014
Has an assessment of likely demand for the new scheme/scheme extension been estimated based on empirical evidence?	3	No Current expenditure being considered in 2014

Was the required approval granted?	3	No Current expenditure being considered in 2014
Has a sunset clause been set?	3	No Current expenditure being considered in 2014
Has a date been set for the pilot and its evaluation?	3	No Current expenditure being considered in 2014
Have the methodology and data collection requirements for the pilot been agreed at the outset of the scheme?	3	No Current expenditure being considered in 2014
If outsourcing was involved were Procurement Rules complied with?	3	No Current expenditure being considered in 2014
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?	3	No Current expenditure being considered in 2014
Have steps been put in place to gather Performance Indicator data?	3	No Current expenditure being considered in 2014

Table 7 - DTTaS Checklist 4: Capital Expenditure Being Incurred

Question	Rating (0-3)	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	3	Yes. For example, Irish Rail contracts under NTA funded projects are made by way of Letter of Offer
Did management boards/steering committees meet regularly as agreed?	3	Yes
Were Programme Co-ordinators appointed to co-ordinate implementation?	3	Yes where required
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	2	Yes broadly. Project management understaffing issue noted by NRA
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Yes with focus on large projects
Did the project keep within its financial budget and its time schedule?	2	Yes broadly. Some roads projects were late completing
Did budgets have to be adjusted?	3	All adjustments were authorised
Were decisions on changes to budgets / time schedules made promptly?	3	Yes. Noted by agencies that required changes are made promptly to avoid delays
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)	3	No circumstances to date.
If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination?	N/A	No circumstances to date.
If costs increased was approval received from the Sanctioning Authority?	3	Yes

Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	3	No
For significant projects were quarterly reports on progress submitted to the MAC and to the Minister?	3	In the case of the NRA, the reports go to the board rather than the Minister. For Irish Rail, progress reports submitted to advisory group, Irish Rail Board and Sanctioning Authority. Yes otherwise.

Table 8 - DTTaS Checklist 5: Current Expenditure Being Incurred		
Question	Rating (0-3)	Comment/Action Required
Are there clear objectives for all areas of current expenditure?	2	Broadly yes across all current expenditure, noted in NRA checklists that the score for directly managed maintenance expenditure would be 3 but less so for LA managed expenditure.
Are outputs well defined?	3	Outputs generally well defined. Extensive reporting in particular on PSO contracts is required
Are outputs quantified on a regular basis?	3	Yes. Again particularly for PSO contracts
Is there a method for monitoring efficiency on an on-going basis?	3	Yes in the case of PT, via extensive performance reporting on PSO contracts. On the tourism side, for Fáilte Ireland, within the PM framework resources are defined, outputs and targets are measured which enables efficiency to be monitored.
Are outcomes well defined?	3	Yes, particularly for PSO where a new contract was put in place which requires outcomes to be defined.

Are outcomes quantified on a regular basis?	3	Yes- again PSO contract stipulates performance obligations which are reported on a regular basis
Are unit costings compiled for performance monitoring?	2	Generally yes. In the case of Irish Rail service and cost infrastructure comparisons are compiled
Is there a method for monitoring effectiveness on an on-going basis?	3	Yes-for example all current expenditure is reviewed monthly by the NTA board.
Is there an annual process in place to plan for new VFMs, FPAs and evaluations?	3	Yes, the Department is very active in this regard through Economic & Financial Evaluation Unit
How many formal VFMs/FPAs or other evaluations been completed in the year under review?	3	A FPA on Green Schools has been completed in 2015 and VfM on Current Roads Expenditure will be completed before the end of the year
Have all VFMs/FPAs been published in a timely manner?	3	Yes
Is there a process to follow up on the recommendations of previous VFMs/FPAs and other evaluations?	2	VfMs/FPA process is managed by the EFEU.
How have the recommendations of VFMs, FPAs and other evaluations informed resource allocation decisions?	2	Green Schools FPA only completed in 2015, VfM Current Roads Expenditure due for completion shortly. It is anticipated that the recommendations of both reports will be implemented

Table 9 - DTTaS Checklist 6: Capital Expenditure Completed

Question	Rating (0-3)	Comment/Action Required
How many post project reviews were completed in the year under review?	3	4 on roads side (M1 Dundalk Western Bypass, M4 Kilcock to Kinnegad, M8 Rathcormack-Fermoy Bypass & Tranche 1 service areas. For NTA PT PPRs were conducted for larger projects and appropriate sample sizes done for smaller projects.
Was a post project review completed for all projects/programmes exceeding €20m?	3	Reviews for roads projects not normally carried out in the year of completion-they are carried out once traffic patterns settle. PPRs are carried out on all roads schemes as required.
If sufficient time has not elapsed to allow a proper assessment of benefits, has a post project review been scheduled for a future date?	3	Yes
Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?	3	Yes
Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?	3	Control process and project management processes are continually refined.
Were project reviews carried out by staffing resources independent of project implementation?	3	Generally yes.

Table 10 - DTTaS Checklist 7: Current Expenditure Completed

Question	Rating (0-3)	Comment/Action Required
Were reviews carried out of current expenditure programmes that matured during the year or were discontinued?	3	A review of the operation of the PSOs was undertaken in 2014, as required by EU
Did those reviews reach conclusions on whether the programmes were effective?	2	VFM Review scheduled for late 2019/early 2020 in respect of the 2015-2019 Programme
Did those reviews reach conclusions on whether the programmes were efficient?	2	VFM Review scheduled for late 2019/early 2020 in respect of the 2015-2019 Programme
Have the conclusions reached been taken into account in related areas of expenditure?	3	Yes
Were any programmes discontinued following a review of a current expenditure programme?	3	No
Was the review commenced and completed within a period of 6 months?	3	Yes

4.2 Analysis of Checklists and Arising Issues

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

The DTTaS set of checklists takes an overview of expenditure covering both the Department and its agencies. Individual agency checklists have informed the completion of DTTaS checklists. **Checklist 1** demonstrates that the Department has been proactive in implementing the QA process by ensuring that an independent unit (Economic and Financial Evaluation Unit) oversees the process in line with Public Spending Code recommendations. QA process guidelines have been prepared and circulated across Departmental divisions and to relevant agencies. The Unit will seek to implement an internal training seminar on the QA process before the 2015 report.

Following a request this year to the Agencies, the additional information provided in the comment's column of **Checklists 2 to 7**, provides useful examples and details of measures taken to illustrate the ratings provided.

With regard to expenditure being considered, the checklist applying to capital expenditure demonstrated good levels of compliance with the PSC in general with regard to areas such as appraisal, procurement and state aid rules. There were no current programmes under consideration in this time period.

For expenditure being incurred, again good levels of compliance are evident in checklist responses for both current and capital expenditure. Issues with delays in project scheduling were cited in two responses. One response indicated that delays were due to planning and legal issues. The other response indicated that a new CBA had to be carried out.

With regard to checklists for expenditure completed in 2014, for capital expenditure completed in 2014, again contents indicate a good level of compliance. One current programme on the aviation side ended. It should be noted that current expenditure programmes are primarily rolling, year-to-year programmes such as the PSO contracts and are subject to on-going performance monitoring, rather than once off reviews.

Where applicable almost all responses provided a rating of 3 with only a small number of responses indicating a rating of 2. Compliance levels of 2 and under will be monitored as part of the Quality Assurance process in future years.

4.3 In-Depth Checks

The following section details the in-depth checks which were carried out in the Department as part of this Quality Assurance Process. Through this process DTTaS developed a standard methodology and template through which in-depth checks are to be carried out in this year and into the future. This will be detailed below. DTTaS carried out three in-depth checks as part of this year's process. The full in-depth checks are published in the appendix of this report and summaries of the checks are copied here.

In-Depth Check Methodology

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

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



Step 1: Logic Model Mapping

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

Step 2: Summary Timeline of Project/Programme Life-Cycle

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

Step 3: Analysis of Key Documents

Having outlined the project stages through the lifecycle, the in-depth check examines in detail all material that has been compiled in order to plan, assess or implement the

programme. In practice this involves reviewing and analysing key documentation such as any business cases, cost-benefit analyses, evaluations or post-project reviews. The assessment of these documents will assist in the completion of the key evaluation questions.

Step 4: Data Audit

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

Step 5: Key Evaluation Questions

As a final step the in-depth check assesses the programme on the basis of three key evaluation questions and the stated answers are informed by the findings from the previous steps. The completion of these questions will form the evaluation of the project/programme. The three key questions are:

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

Having outlined the methodology behind the in-depth checks, this report presents a summary of each of the three checks carried out this year. The three projects/programmes selected for review are the Integrated Ticketing Project, the City Centre Resignalling Project and the N5 Ballaghaderreen Bypass. The full in-depth checks are published in tandem with this report.

Table 11: Summary of Projects Subject to In-Depth Review

Project/Programme	Value
Public Transport	
Integrated Ticketing Project	€54,980,000
City Centre Resignalling Project	€123,700,000
Roads	
N5 Ballaghaderreen Bypass	€58,610,000
Total Value of In-Depth Checks	€237,290,000
Total Value of Expenditure Being Incurred Inventory⁵	€6,761,173,146
% of Inventory Value Analysed	3.5%⁶

⁵ Estimate. Some Projects are a Value Range and Some Are Themselves an Estimate. In addition some projects, such as roads PPPs are listed as the full cost rather than the level of expenditure in 2014.

Integrated Ticketing Project

The in-depth check of the Integrated Ticketing Project revealed that the relevant central guidance available at the time, and thus the principles and ethos of the Public Spending Code, were broadly adhered to. In particular, the process appraised a number of options and submitted the final chosen option to an in-depth appraisal. The project's management was in line with the ethos of central guidelines and the organisation's guidelines. There was appropriate reporting between the project management board and the Department and Minister of Transport. Furthermore, it is noted that a full post-project review will be carried out. This will further serve to highlight where the project has performed well and also areas which could be strengthened in the roll out of future phases and also in similar projects.

While EFEU are satisfied that the project was managed satisfactorily, a number of areas did emerge which have led to some recommendations for enhancing future practice. The main areas related to minor issues with the validity and methodology of the business cases, the significant time delay in completing the project, and the associated increased cost. While the natural complexity of the project to some extent justifies the time delay and cost issues future projects should aim to estimate these elements with greater accuracy at scoping/planning stage. EFEU recommends that all future business cases continue to be conducted in line with central appraisal guidance (i.e. the Public Spending Code (PSC) and the Department of Transport, Tourism and Sport's forthcoming Common Appraisal Framework (CAF)) and in consultation with EFEU. It is also recommended that the NTA's internal project management guidelines are updated at an appropriate time to account for the provisions of the PSC and the forthcoming updated CAF. Best practice appraisal should be targeted in the future such that all methodological assumptions and choices are appropriately justified and tested for sensitivity. Finally, the forthcoming Post-Project Review of the Integrated Ticketing project should be cognisant of the issues raised by this in-depth check.

City Centre Resignalling Project

The overall City Centre Resignalling Project has, and continues to, meet the requirements set out for the management of public expenditure. The project is a multi-stage and complex one which has seen its delivery process change due to national funding developments.

The primary concern raised by the in-depth check relates to the rationale for the approval by the Department of €7.5 million of capital funding, which related to the delivery of the overall resignalling project, prior to the submission and subsequent approval of an overall business case. However, it is noted that in subsequent stages of the overall appraisal of the project, guidelines were fully adhered to. In this context, it is further noted that following submission of the business case for the full project, an independent audit of the business

⁶ The PSC specifies that in-depth checks should analyse 5% on average over three years. The 2013 QA Report analysed 6% of inventory and DTTaS will ensure that it reaches this average over the three year cycle.

case and methodology recommended that the project should proceed. The in-depth check also identified a number of areas where practice could be improved in the future. These primarily related to technical issues in the compilation of the business case such as further strengthening of the rationale for, and sensitivity analysis of, methodological choices and further appraisal of alternative project options. The in-depth check has made a number of recommendations including that appraisal must be received and tested for robustness before any funding decision is made, all key methodological choices and assumptions should be fully justified and tested rigorously for sensitivity and future business cases should be conducted such that their outputs are not contingent on other non-finalised projects.

N5 Ballaghaderreen Bypass

Overall the process and document preparation is consistent with prevailing guidelines. The quantitative and qualitative appraisal process included a detailed examination of the various route options and associated constraints for the by-pass in order to identify the preferred route along with the preliminary design study which all formed part of the preliminary appraisal. The detailed appraisal included a Project Brief, Traffic Modelling Report, Cost Benefit Analysis and Business Case. The Project Appraisal Audit is a particular strength of the NRA appraisal process, creating a feedback loop which will improve the quality of submissions. One issue which emerged during the course of this in-depth check related to the project timeline sequence. It is acknowledged that this relates to differing guideline requirements in place when the project originally commenced in 2001. The NRA has subsequently confirmed that all major projects being developed are following the current prescribed timeline of events and document production.

It should be highlighted that the NRA has a robust process in place for ensuring compliance with internal project management guidelines (PMG). This is achieved through the NRA Regional Management (RM) team working closely with Local Authorities and through the reviewing of deliverables throughout the development of a project. The NRA RM team for any given County Council is the NRA Regional Manager (RM) and the NRA Inspector. There is a specific Steering Committee for each project and the committee meets generally every month. The Project Engineer from the Local Authority has a monthly progress report presented to the steering committee and the RM team oversee the progression of the project, ensuring that compliance with the PMG is being observed. With reference to the deliverable items which must be produced during the development of a project such as the Design Report or the Environmental Impact Statement, funding requests from a Local Authority must be approved by the NRA Inspector and that approval is dependent on the acceptability of the report in question.

In summary, the overall process meets the requirements set out for the management of public expenditure. In future projects, the Sponsoring Agency and Sanctioning Authority should continue to ensure that the project is progressed to detailed appraisal stage prior to going to tender, in line with guidance. The NRA should continue to review other business

cases to ensure that Sponsoring Agencies are fulfilling their responsibilities as required under the relevant guidance documents, particularly the Public Spending Code which has now succeeded the Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector. For example, the new spending code guidelines require projects and programmes to have an evaluation plan which details how the project will be measured after completion. This is a new requirement but should be incorporated into all projects into the future.

Financial Spot Checks

In addition to the in-depth checks carried out as part of this Quality Assurance Process, the Department carried out a number of financial spot checks on various expenditure activities in 2014. The goal of these checks is to act as a financial audit of processes while the in-depth checks are more focused on evaluation and management. As such the Department sees this process as complementary. The following financial spot checks were carried out on 2014 expenditure;

- A number of financial spot checks will be carried out over the course of Q2/Q3 2015 in respect of Public Transport Investment. This work will be carried out to support the capital grant drawdown procedures as set out in our PIFCo (Procedures for Internal Financial Controls). The checks will seek to verify the accuracy and completeness of financial information flowing up from the implementing agencies.
- Financial spot checks on sports capital grants are in the process of being carried out. A number of grantees from around the country have been selected.
- Financial spot checks were also carried out on regional and local roads grants during 2014. The spot checks were carried out in order to monitor on-going expenditure on regional and local roads during the year.
- Finally, financial spot checks of a number of smarter travel projects are currently being carried out with desktop analysis and onsite examinations of larger schemes.

5. Next Steps: Addressing Quality Assurance Issues

Through the completion of this Quality Assurance report, the Department is satisfied that it, and its agencies, are meeting the obligations set out in the Public Spending Code. The processes and ethos set out in the PSC are met in the vast majority of activities carried out in this sector. As part of an on-going impetus to meet requirements, EFEU have identified the following areas for improvement next year;

- EFEU will avail of any external training provided by DPER and will in turn facilitate internal training on the Quality Assurance Process to ensure that all divisions, units and agencies are aware of the various requirements and tasks.
- The Department will continue its other evaluation activities, such as Value for Money Reviews and Focused Policy Assessments, to continue to ensure that the activities of DTTaS and its agencies are compliant with the Public Spending Code.
- Future Quality Assurance Reports will assess progress towards implementing the recommendation of VfM and FPA reviews. As such the QA Report for 2015 expenditure will review the implementation of the FPA on the Green Schools Travel Programme and the forthcoming VfM on National Road Maintenance.
- The Department will publish an updated version of the Common Appraisal Framework such that all project and programme appraisal continue to be in line with best practice and the Public Spending Code.
- All issues raised through the self-assessment checklists will be monitored through the course of the year and any significant issues will be acted upon in the short term.
- The findings of the three in-depth checks will be implemented and the Quality Assurance Report for 2015 will assess the level of compliance.
- Finally, the Department will evaluate its Quality Assurance process to ensure that it is improved and expanded for 2015. Any areas where improvements to the process can be made will be targeted.

6. Conclusion

In conclusion this Quality Assurance report has demonstrated the compliance of the Department of Transport, Tourism and Sport, and its related agencies, with the provisions of the Public Spending Code. The report has identified a number of areas where improvements could be made and these will be implemented and then monitored in next year's QA report.

