An Roinn Forbartha
Tuaithe agus Pobail
Department of Rural and
Community Development

Quality Assurance Process Report
Review of 2019 Expenditure

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Community Development

Contents

Certification

This report reflects the Department of Rural and Community Development's assessment of compliance with the Public Spending Code in 2019. It is based on an examination of a sample of Department expenditure.

Signature of Accounting Officer:

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Date Signed:

3rd December 2020

1 Summary

This report presents the findings of the first Quality Assurance Process (QAP) undertaken by the Department of Rural and Community Development (DRCD). The purpose of the QAP is to demonstrate how Departments and their agencies are meeting their Public Spending Code (PSC) obligations. The year of expenditure under examination in this report is 2019.

The QAP consists of the following steps:

- Providing an inventory of programmes/projects with expenditure greater than €500,000.
- Completing a self-assessment checklist on general obligations not specific to individual programmes/projects, and completion of specific checklists on a sample of programmes/projects.
- Carrying out a more in-depth check on a sub-sample of these projects/programmes.
- Consideration of Departmental agency compliance with the PSC.
- Compilation of a summary written report which includes identification of possible improvements/enhancements which emerge from the QAP.

1.1 Inventory of DRCD Expenditure over €500,000

The inventory of DRCD programme (including agencies) expenditure over €500,000 in 2019 amounted to €274.3 million. This accounted for the vast majority of DRCD's total €280 million programme expenditure (expenditure under and over €500,000) in 2019. The inventory shows that €128.6 million (mostly capital expenditure) was incurred for Rural Development and Regional Affairs Programmes, and €142.0 million (mostly current expenditure) was incurred for Community Development Programmes. Almost €3.8 million (current expenditure) was incurred for the Charities Regulatory Authority.

1.2 Self-assessment Checklists

A self-assessment checklist on the Department's general obligations was completed for this report. The general obligations checklist consists of 12 questions covering issues such as awareness and training on the PSC, agency compliance with the PSC, and evaluation processes in place. Programme specific checklists were also completed for four Department programmes (representing almost 47% of DRCD's total programme expenditure). These checklists consist of questions relating to governance, monitoring and evaluation processes in place for programmes. The four programmes examined were the LEADER Programme 2014-2020, the Rural Regeneration and Development Fund 2019-2027 (RRDF), the Local Improvement Scheme (LIS), and the Social Inclusion and Activation Programme 2018-2022 (SICAP). The checklists indicate that the Department is compliant with the obligations of the PSC.

However, four questions in the general obligations checklist were rated as compliant but with some improvement necessary. These questions related to organisational awareness and training on the PSC, whether the PSC has been adapted to the type of programmes managed by the

Department, and whether there is a process for following up on recommendations from evaluations. As a result two recommendations for improvement are made (recommendations 1 and 2) and a response to each recommendation is also set out below in section 1.5 of this chapter.

1.3 In-depth Check of DRCD Programmes

An in-depth check was completed for both the LEADER Programme 2014-2020, and SICAP 2018-2022. This is a check on compliance with the PSC by examining governance, monitoring and evaluation processes in place for programmes. This includes an examination of whether processes can be enhanced and whether appropriate data is collected to allow for monitoring and evaluation of the programmes. The LEADER Programme and SICAP were selected for examination on the basis that they represented a large proportion (over 30%) of Department programme expenditure in 2019. The in-depth check confirms compliance with PSC obligations. Both LEADER and SICAP have clear objectives, strong governance, monitoring and evaluation procedures in place. However, having regard to recent research and evaluation conducted on these programmes[1], two recommendations for improvement are made (recommendations 3 and 4). A response to each of these recommendations is also set out below in section 1.5 of this chapter.

1.4 Agency Compliance with the Public Spending Code

The Department has four agencies under its remit. Pobal, the Charities Regulatory Authority, the Western Development Commission, and Water Safety Ireland. The Department has monitoring procedures in place with its agencies. Specific Department units are responsible for oversight of these agencies. These units ensure completion of an annual checklist to confirm agencies compliance with the Code of Practice for Governance of State Bodies (2016). Annual reporting and audited financial accounts are also required to be completed by agencies under the Code (2016). The Comptroller and Auditor General is responsible for external auditing of all DRCD agencies.

For the purpose of this report, the Department issued a letter to its agencies in May 2020 asking the CEO of each organisation for written confirmation of their organisation's compliance with the PSC in 2019. Responses received indicate compliance with the PSC. One issue was identified by Pobal whereby it did not fully comply with national procurement guidelines. This related to the expenditure on ICT and project management services used to deliver the National Childcare Scheme which is funded by the Department of Children, Equality, Disability, Integration and Youth (DCEDIY). This issue has now been resolved following the implementation of a compliance procurement plan initiated in late 2019.

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[1] Indecon Mid-Term Evaluation of the Rural Development Programme Ireland (2014-2020), Department of Agriculture, Food and the Marine, August 2019; and, Valuing Community Development Through The Social Inclusion Programme (SICAP) 2015–2017 Towards a Framework For Evaluation, ESRI, February 2019.

1.5 Conclusions and Recommendations

Consideration of the inventory of Department expenditure, the self-assessment checklists, the in-depth checks, and agency returns all show strong compliance with the PSC. However, based on the analysis and material examined in this report, four recommendations for improvement have been identified as set out below. A response highlighting the actions being undertaken to address these recommendations is also provided.

1. **Recommendation:** While there is general awareness of the PSC in DRCD, improvements can be made to increase staff awareness/training on the requirements of the PSC (see Appendix B, Checklist 1 - Questions 1 to 3).

    ➢ **Response:** Work is currently underway within the Department to address this by mapping the PSC requirements to Department activities to provide guidance to staff on the practical application of the PSC to their work.

2. **Recommendation:** Each line unit is responsible for following up on recommendations from reviews/evaluations which are relevant to their areas of work. However, there is a need to establish a Department procedure for following up on recommendations from policy and programme reviews/evaluations (see Appendix B, Checklist 1 - Question 11).

    ➢ **Response:** Department units will provide an update on the status of approved recommendations to DRCD's Management Board based on set timeframes agreed with the Management Board.

3. **Recommendation:** The impact of actions which have been taken to reduce the administrative burden of the LEADER Programme should be monitored with a focus on facilitating the generation of additional quality projects to the programme.

    ➢ **Response:** The delivery of the programme is reviewed on an ongoing basis by the relevant Department unit. The unit is also currently examining the potential to further improve the efficiency of the operation of the programme by reducing administrative burden through the introduction of a simplified cost option for Local Action Group (LAG) expenditure.

4. **Recommendation:** Consideration of whether the measurement of broader community level outcomes as a result of SICAP can be improved through the collection of additional data. This includes broad metrics relevant to groups funded under SICAP, the use of a distance travelled tool for Local Community Groups, and the use of thematic reports.

    ➢ **Response:** Existing work on improving the measurement of outcomes is underway through the use of a distance travelled tool for individuals, and the use of case studies. This recommendation is under consideration in the context of the development of the new programme which is due to commence in 2023.

2 Introduction

The Public Spending Code[2] (PSC) is a set of rules and procedures which aim to ensure that the best possible value for money is obtained whenever public money is being spent or invested. The PSC requires Government Departments to conduct a Quality Assurance Process (QAP) consisting of reporting on how they, and the agencies for which they have responsibility, are meeting their PSC obligations. This report presents the findings of the first QAP conducted by the Department of Rural and Community Development (DRCD). The year of expenditure under examination in this report is 2019.

2.1 Quality Assurance Process

The QAP consists of five steps which are detailed in the PSC. These are:

1. Draw up inventories of projects/programmes at different stages of their lifecycle as applicable i.e. expenditure being considered, incurred expenditure, and completed expenditure.
2. Publish summary information on the Department and agency websites for procurements over €10 million.
3. Complete self-assessment checklists based on a sample of projects/programmes.
4. Carry out a more in-depth check on a small sample of selected projects/programmes to answer the following key questions.
    i. Does the delivery of the project/programme comply with the Public Spending Code?
    ii. Is the necessary data and information available so that the project/programme can be subject to a full evaluation at a later date?
    iii. What improvements are recommended so that future processes and management are enhanced?
5. Complete a summary report based on the above steps which is signed by the accounting officer and published on the Department's website.

2.2 Approach and Structure of this Report

The year of expenditure examined in this report is 2019 to account for embedding of systems in previous years following establishment of the Department in July 2017. As no procurements in excess of €10 million have been undertaken by DRCD, Step 2 of the QAP does not apply and is not discussed further in this report.

- **Chapter 3** outlines the inventory of Department programme expenditure over €500,000 (Step 1).

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[2] See https://www.gov.ie/en/publication/public-spending-code/

- **Chapter 4** provides a summary of the self-assessment checklists for a sample of programmes (Step 3). The selected sample represented almost 47% of total programme expenditure in 2019[3].
    - Checklist 1 (general obligations not specific to individual projects/programmes).
    - Checklist 4A (incurred capital programme/project expenditure) on the LEADER Programme 2014-2020. The LEADER Programme represented just over 16% of DRCD programme expenditure in 2019.
    - Checklist 4A (incurred capital programme/project expenditure) on the Rural Regeneration and Development Fund (RRDF) 2019-2027. The RRDF represented just over 11% of DRCD programme expenditure in 2019.
    - Checklist 4A (incurred capital programmes/projects) on the Local Improvement Scheme (LIS) which accounted for almost 5% of DRCD programme expenditure in 2019.
    - Checklist 5 (incurred current programme expenditure) on the Social Inclusion and Community Activation Programme (SICAP) 2018-2022. SICAP represented over 14% of DRCD programme expenditure in 2019.
- **Chapter 5** summarizes an in-depth check of two programme (the LEADER Programme 2014-2020 and SICAP 2018-2022) areas (Step 4). These programmes were selected due to the relatively large scale of funding for each programme.
- **Chapter 6** summaries the responses received from Department agencies (Pobal, the Charities Regulatory Authority, the Western Development Commission and Water Safety Ireland) to the Department's request for confirmation of compliance with the PSC.
- **Chapter 7** presents the findings of this report (Step 5).

The Department has four agencies under its aegis i.e. Pobal, the Charities Regulatory Authority, the Western Development Commission and Water Safety Ireland. These agencies were issued a letter from the Department in May 2020 highlighting the requirements of the PSC and QAP. The letter asked the CEO of each organisation for written confirmation of their organisation's compliance with the PSC in 2019, identification of areas of non-compliance, and the strategies taken to address non-compliance, if any. This approach is based on that previously adopted by other Departments.

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[3] Total programme and agency expenditure excluding Department administration (pay and non-pay) costs.

3 Inventory of DRCD Programme Expenditure

This chapter provides an inventory of DRCD programme and grant scheme expenditure greater than €500,000 in 2019. Therefore, it should be noted that the expenditure outlined in this report will be lower than the expenditure reported in Government accounts. As required, the inventory includes expenditure (a) incurred, and (b) completed or discontinued in 2019. A list of projects over €500,000 for each programme can be found in Appendix A of this report.

3.1 Incurred Expenditure in 2019

Tables 1, 2 and 3 set out Department expenditure on programmes which incurred expenditure in 2019 and have a total lifetime expenditure of over €500,000. Programmes are distinguished between:

- Multi-annual programmes: programmes delivered over a defined period of two years or greater that have known and agreed levels of funding commitment over the programme period. This includes the LEADER Programme, the Scheme to Support National Organisations (SSNO), SICAP, and the Programme for Peace and Reconciliation (PEACE).

- Annual programmes: programmes delivered each year with expenditure commitments made on an ongoing basis based on available allocations. Funding commitments are usually made on the basis of application and assessment processes. This also includes expenditure for Department agencies. Examples of annual programmes include the Local Improvement Scheme, the Town and Village Renewal Scheme, and the Senior Alerts Scheme.

Programme expenditure in DRCD takes place across three high level programme areas i.e. (a) Rural Development and Regional Affairs, (b) Community Development, and (c) the Charities Regulatory Authority (CRA).

In the Rural Development and Regional Affairs programme areas, the Department incurred almost €6.0 million in current and €120.6 million capital expenditure in 2019. Expenditure on multi-annual programmes represents €251.7 million over their agreed/defined periods.

Table 1: Current and capital expenditure on programmes – Rural Development and Regional Affairs, 2019

Department sub-head	Programme	Multi-annual / annual programmes	Current expenditure €	Capital expenditure €	Total lifetime expenditure € (multi-annual programmes)
A3 Western Development Commission	NA	Annual	2,015,212	NA	NA
A4 National Rural Development Schemes	Outdoor Recreation Infrastructure Scheme	Annual	NA	10,172,520	NA

	The CLÁR Programme	Annual	NA	6,837,177	NA
	The Walks Programme	Annual	2,671,646	188,900	NA
A5 LEADER – Rural Economy Sub Programme	The LEADER Programme	2014-2020[4]	NA	45,187,820	250,000,000
A7 Town and Village Regeneration	Town and Village Renewal Scheme	Annual	NA	12,999,268	NA
A8 Regional Economic Development	National broadband Supports (Broadband Officers)	Annual	1,302,000	0	NA
	WiFi4EU	2019-2022	NA	311,000	1,710,000
A9 Local Improvement Scheme	The Local Improvement Scheme	Annual	NA	13,629,576	NA
A10 Rural Regeneration and Development Fund	Rural Regeneration and Development Fund	Annual	NA	31,285,000	NA
Grand total			**5,988,858**	**120,611,261**	**251,710,000**

In the Community Development Programme area, the Department spent approximately €126.8 million in current and €15.3 million in capital expenditure in 2019. Expenditure on multi-annual programmes represents approximately €247.8 million over their agreed/defined periods.

Table 2: Current and capital expenditure on programmes – Community Development, 2019

Department sub-head	Programme	Multi-annual / annual programmes	Current expenditure €	Capital expenditure €	Total lifetime expenditure € (multi-annual programmes)
B3 Supports for Community and Voluntary Sector	Volunteering Supports	Annual	3,500,019	NA	NA
	Senior Alerts Scheme	Annual	2,213,818	NA	NA
	Supports for the Community and Voluntary Sector	SSNO runs 2019-2022. Other supports are annual.	6,642,511	NA	18,800,000
	Community and Voluntary Pillar Supports	Annual	565,200	NA	NA
B4 SICAP - Local/Regional Development Supports	SICAP	2018-2022	40,482,097	NA	190,000,000
B5 Local Community Development Committee Support	Local Community Development Committee Support	Annual	1,904,239	NA	NA
B6 Supports for Disadvantaged Communities	Supports for Disadvantaged Communities	Annual	5,097,981	1,902,219	NA
B7 Dormant Accounts Measures	Dormant Accounts Measures	Annual	10,100,327	2,655,264	NA

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[4] Payments can be made to 2023 as projects are completed.

Department sub-head	Programme	Multi-annual / annual programmes	Current expenditure €	Capital expenditure €	Total lifetime expenditure €
B8 Programme for Peace and Reconciliation	Programme for Peace and Reconciliation	2014-2020[5]	7,695,423	650,000	39,020,000
B9 Water Safety Ireland	NA	NA	1,118,000	NA	NA
B10 Library Development and Archive Service	Library Development and Archive Service	Annual	1,282,918	6,048,558	NA
B11 Community Enhancement Programme	Community Enhancement Programme	Annual	NA	4,000,000	NA
B12 Community Services Programme	Community Services Programme	Annual[6]	43,855,000	NA	NA
B13 Social Inclusion Units	Social Inclusion Units	Annual	545,983	NA	NA
B14 Public Participation Networks	Public Participation Units	Annual	1,750,000	NA	NA
Grand total			**126,753,516**	**15,256,041**	**247,820,000**

Department sub-head C relates to expenditure for the CRA. This amounted to almost €3.8 million in 2019.

Table 3: Current and capital expenditure on programmes – Charities Regulatory Authority, 2019

Department sub-head	Programme	Multi-annual / annual programmes	Current expenditure €	Capital expenditure €	Total lifetime expenditure € (multi-annual programmes)
C Charities Regulatory Authority	Charities Regulator	Annual	3,762,716	NA	NA
Grand total			**3,762,716**	**NA**	**NA**

3.2 Completed or Discontinued Expenditure, 2019

Table 4 sets out expenditure on programmes which have a lifetime expenditure over €500,000 and were completed in 2019. These programmes (support for agricultural shows and Tidy Towns grants) were run in 2019 on a once off basis and amounted to expenditure of almost €2 million. No programme areas were discontinued in 2019.

Table 4: Current and capital expenditure on programmes – Rural Development and Regional Affairs, 2019

A - Rural Development and Regional Affairs					
Department sub-head	Programme	Programme completion date	Current expenditure €	Capital expenditure €	Total expenditure outturn €
A4 National Rural Development Schemes	Support for Agricultural Shows	2019	600,000	NA	600,000
	Tidy Towns Grants	2019	1,370,766	NA	1,370,766
Grand total			**1,970,766**	**NA**	**1,970,766**

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[5] Payments can be made to 2023 as projects are completed.
[6] CSP contracts are typically reviewed every three years, with ongoing contractual commitments towards Pobal's service fee and CSP service providers.

4 Summary of Self-assessment Checklists

As noted previously, Step 3 of the QAP consists of the completion of self-assessment checklists. There are seven checklists to be completed under the QAP, as appropriate.

- Checklist 1: General obligations not specific to individual projects/programmes.
- Checklist 2: Capital projects or capital grant schemes being considered.
- Checklist 3: Current expenditure being considered.
- Checklist 4: Capital expenditure being incurred.
- Checklist 5: Current expenditure being incurred.
- Checklist 6: Capital expenditure completed.
- Checklist 7: Current expenditure completed.

These checklists are based on a sample of projects/programmes. Assessment of compliance on each item is based on a self-assessed 3 point scale:

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

Guidance documentation on completing these checklists states that in some cases it may be appropriate to mark not applicable "NA" and provide the required information in the commentary box.

Checklists 2, 3, 6 and 7 are not applicable to the sample of programmes examined in this report. The following checklists were completed and can be found in Appendix B of this report.

- **Checklist 1** on general obligations not specific to individual projects/programmes.
- **Checklist 4A** for incurred capital programme/project expenditure on the LEADER Programme 2014-2020. The LEADER Programme is a community-led local development approach (CLLD) promoting social inclusion, poverty reduction and economic development in rural areas. The programme is funded through Ireland's Rural Development Programme (RDP). It has a total budget of €250 million. Over €45 million was spent on the programme in 2019 representing just over 16% of DRCD's total programme expenditure and almost 33% of total capital programme expenditure in 2019. €40 million has been allocated to the programme in 2020.
- **Checklist 4A** for incurred capital programme/project expenditure on the Rural Regeneration and Development Fund (RRDF) 2019-2027. The RRDF is a fund which provides for capital investment in rural Ireland over the period 2019 to 2027. Just over €31 million was spent on the Fund in 2019 representing just over 11% of DRCD's total programme expenditure and almost 23% of total capital programme expenditure in 2019. The 2020 allocation for the Fund is €53 million.

- **Checklist 4A** for incurred capital programmes/projects on the Local Improvement Scheme (LIS) 2019. The LIS provides exchequer funding for the construction or improvement of non-public roads. Almost €14 million was spent on the scheme in 2019 representing almost 5% of DRCD's total programme expenditure and just under 10% of total capital programme expenditure in 2019. €10 million has been allocated for the scheme in 2020.

- **Checklist 5** for incurred current programme expenditure on the Social Inclusion and Community Activation Programme (SICAP) 2018-2022. SICAP aims to tackle poverty and social exclusion at a local level. €190 million has been allocated over the lifetime of the programme with funding of approximately €30 million provided under the European Social Fund (ESF) Programme for Employability Inclusion and Learning (PEIL 2014-2020). Over €40 million was spent on the programme in 2019 representing over 14% of DRCD's total programme expenditure and over 28% of total current programme expenditure. Approximately €41 million has been allocated to the programme for 2020.

DRCD's Finance and Evaluation unit completed checklist 1 on general obligations. Programme checklists 4A and 5 were completed by the Department units who manage these programmes. The LEADER Programme 2014-2020, the RRDF 2019-2027, and SICAP 2018-2022 were chosen for examination by DRCD's Finance and Evaluation unit on the basis that they accounted for a significant proportion of DRCD's total (capital and current) programme expenditure in 2019 (almost 42%). The fourth programme, the LIS, accounted for a comparatively lower level of total (capital and current) programme expenditure in 2019 (almost 5%) but was included to complement the examination of the three larger programmes. However, it's worth noting that the LIS accounted for a larger proportion (almost 10%) of the Department's total capital programme expenditure in 2019.

The findings based on the completed checklists are set out below.

4.1 Checklist 1 - General Obligations Findings

The general obligations checklist consists of 12 questions covering issues such as awareness and training on the PSC, agency compliance with the PSC, and evaluation processes in place. The completed checklist 1 in Appendix B indicates that the Department is compliant with the PSC. Five questions were rated a maximum score of 3 (broadly compliant) and three questions rated as not applicable. Four questions were rated a 2 (compliant but with some improvement necessary). These questions were focused on organisational awareness and training on the PSC, whether the PSC has been adapted to the type of programmes managed by the Department, and whether there is a process for following up on recommendations from evaluations. As a result two recommendations for improvement and a response to each recommendation is set out below.

1. **Recommendation:** While there is general awareness of the PSC in DRCD, improvements can be made to increase staff awareness/training on the requirements of the PSC (see Appendix B, Checklist 1 - Questions 1 to 3).

> ➢ **Response:** Work is currently underway within the Department to address this by mapping the PSC requirements to Department activities to provide guidance to staff on the practical application of the PSC to their work.

2. **Recommendation:** Each line unit is responsible for following up on recommendations from reviews/evaluations which are relevant to their areas of work. However, there is a need to establish a Department procedure for following up on recommendations from policy and programme reviews/evaluations (see Appendix B, Checklist 1 - Question 11).

> ➢ **Response:** Department units will provide an update on the status of approved recommendations to DRCD's Management Board based on set timeframes agreed with the Management Board.

4.2 Checklists 4A/5 - Programme Findings[7]

The programme checklists broadly cover questions relating to the governance, monitoring and evaluation processes in place for programmes/projects. For example, questions are asked about programme co-ordination and management such as monitoring of budgets and timelines, and whether there are quantifiable outputs and outcomes. Checklists 4A and 5 in Appendix B indicate that the sample of four Department programmes assessed in this report are compliant with the PSC. All of the questions in these checklists were rated a score of 3 (broadly compliant) or not applicable. The checklists indicate that:

- The LEADER Programme 2014-2020 has strong governance, monitoring and evaluation procedures in place. A programme of EU policy, it is subject to both EU and national rules/regulations.

- The RRDF 2019-2027 has appropriate governance, monitoring and evaluation processes in place. As the Fund is at an early phase of its implementation, many of these requirements will emerge as projects are completed in the future. Therefore it is important that focus remains on implementation and follow up on these requirements over the lifetime of the Fund.

- The LIS is under the remit of DRCD but administered by local authorities, and governance and monitoring arrangements comply with the requirements of the PSC.

- SICAP 2018-2022 has a well-established system of governance, monitoring and evaluation in place.

4.3 Conclusions

DRCD's Finance and Evaluation unit completed checklist 1 on the Department's general obligations. Programme checklists (4A and 5) for the LEADER Programme 2014-2020, the RRDF 2019-2027, the LIS, and the SICAP 2018-2022 were completed by the Department units who manage these programmes. The findings indicate that DRCD is compliant with the PSC.

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[7] More information on the operation of the RRDF 2017-2020 and the LIS can also be found in Appendix C, while a more in-depth check of the LEADER Programme 2014-2020 and SICAP 2018-2022 is provided in Chapter 5 of this report.

However, two recommendations for improvement have been identified. These recommendations and a response to each of the recommendations is set out in text box 1 below.

Text box 1: Recommendations based on checklist findings

1. **Recommendation:** While there is general awareness of the PSC in DRCD, improvements can be made to increase staff awareness/training on the requirements of the PSC (see Appendix B, Checklist 1 - Questions 1 to 3).

   ➢ **Response:** Work is currently underway within the Department to address this by mapping the PSC requirements to Department activities to provide guidance to staff on the practical application of the PSC to their work.

2. **Recommendation:** Each line unit is responsible for following up on recommendations from reviews/evaluations which are relevant to their areas of work. However, there is a need to establish a Department procedure for following up on recommendations from policy and programme reviews/evaluations (see Appendix B, Checklist 1 - Question 11).

   ➢ **Response:** Department units will provide an update on the status of approved recommendations to DRCD's Management Board based on set timeframes agreed with the Management Board.

5 In-Depth Check of DRCD Programmes

Step 4 of the QAP involves a more in-depth check of a sub-sample of the programmes examined in chapter 4. The purpose of the in-depth check is to consider whether:

- The delivery of the project/programme complies with the Public Spending Code?
- Necessary data and information is available so that the project/programme can be subject to a full evaluation?
- Improvements are recommended so that future processes and management are enhanced?

Guidance documentation on conducting the in-depth check suggests this can be undertaken by assessing the programme governance, monitoring and evaluation arrangements in place. For example, by identifying the objectives, activities, outputs and outcomes of the programme. Consideration of key programme documents may also inform the analysis.

In-depth checks were conducted by DRCD's Finance and Evaluation unit on the LEADER Programme 2014-2020 and SICAP 2018-2022 as they represented a substantial share (over 30%) of DRCD programme expenditure in 2019. The analysis was informed by discussions with the Department units managing the programmes, and examination of programme documentation including the operating rules, programme requirements, annual reports, and recent research and evaluation reports completed for each programme. The programmes are examined below through consideration of the:

- Background which sets out the general context for the programmes.
- Objectives of the programmes.
- Governance which identifies the activities undertaken to manage the programmes.
- Monitoring framework which outlines the outputs and outcomes of the programmes.
- Programme evaluation which discusses recent evaluations of these programmes and recommendations for improvement.

Each of these aspects are considered individually for both programmes before the conclusions are set out at the end of this chapter.

5.1 LEADER Programme 2014-2020

BACKGROUND

Rural development is a key component of the EU Common Agricultural Policy (CAP). It is supported through the European Agricultural Fund for Rural Development (EAFRD), which in turn is delivered through nationally co-financed programmes. LEADER is a community-led local development approach (CLLD) funded through Ireland's Rural Development Programme (RDP). The LEADER Programme was launched in 1991, covering different programme periods down through the years. The current LEADER Programme runs from 2014-2020. It has a total budget

of €250 million[8]. Approximately €80[9] million had been spent as of 2019 and a further €40 million has been allocated to the programme for 2020. Given the nature of this capital expenditure programme, project completions and related expenditure increase significantly as the programme nears the end of its lifetime. It should therefore be noted that although project approvals may be issued until the end of 2020, claims for payment can be accepted until June 2022. Funding from the European Commission must be drawn upon by the end of 2023.

The objectives, governance, monitoring and evaluation arrangements of the programme are set out in the programme operating rules and performance monitoring guidance[10]. These are discussed below.

OBJECTIVES

The purpose of LEADER is set out under priority six of the RDP i.e. promoting social inclusion, poverty reduction and economic development in rural areas. All areas outside the city boundaries of Dublin, Waterford, Cork, Limerick and Galway are eligible for LEADER support. The programme focuses on three key themes which underpin project activities.

Theme 1 – Economic Development, Enterprise Development and Job Creation

- Rural tourism.
- Enterprise development (micro, small and medium).
- Regeneration of rural towns.
- Broadband developments that complement national initiatives.

Theme 2 – Social Inclusion

- Provision of basic services (e.g. education/training, social/cultural, recreation etc.) targeted at hard to reach communities (people living in rural and remote areas and groups who are at risk of social exclusion).
- Actions that develop social infrastructure (e.g. youth clubs, development programmes, sports etc.) of rural areas for young people (ages 15 to 35 years).

Theme 3 – Rural Environment

- Protection and sustainable use of water resources e.g. awareness, conservation plans, recycling schemes, conservation etc.
- Protection and improvement of local biodiversity e.g. awareness, local initiatives to support improvements etc.

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[8] €225 million is allocated as core funding to Local Action Groups who deliver the programme. The remaining €25 million is available for thematic schemes to be delivered at a national level, and allocated as projects are approved.

[9] Circa €3 million in additional costs have also been incurred relating to running costs of the programme.

[10] LEADER Operating Rules, Rural Development Programme 2014 – 2020, Pobal, (April 2019); and LEADER Programme, Performance Monitoring Guidance, Pobal, September 2018.

- Development of renewable energy e.g. awareness, installation and use of renewable energy technology etc.

Aside from the themes outlined above, consideration can also be given to projects that address cross-cutting issues of the environment, climate change and innovation.

GOVERNANCE

It is worth noting that LEADER is governed by a range of rules and procedures. As it forms part of EU policy it is governed by EU Regulations in addition to national procedures which are in place.

The Department of Agriculture, Food and the Marine (DAFM) is the Managing Authority and lead Government Department for Ireland's RDP. The Department of Rural and Community Development (DRCD) is the Contracting Authority with delegated Paying Agency functions and Managing Authority responsibility for LEADER. DRCD is responsible for ensuring that systems and processes are compliant with regulatory requirements. This includes monitoring Local Action Groups (LAG) compliance with financial management and decision-making requirements as well as on-going checks and controls in respect of LAG expenditure.

Pobal provides technical and administrative support to DRCD. It conducts some administrative checks on expenditure on behalf of the Department. Local authorities also carry out administrative checks. Pobal also manages the LEADER ICT System through which programme data and information is stored.

The programme is delivered by 29 LAGs. LAGs are responsible for designing and implementing Local Development Strategies (LDS) for their LEADER sub-regional areas (there are 28 sub-regional areas in Ireland), making decisions on actions funded through the LDS and managing the funding allocated to the LDS. The LAG reports on budgetary changes as part of monitoring the delivery of its LDS, including Annual Progress Reports.

Operating Rules provide a governance framework for the implementation of the programme in accordance with programme priorities, EU Regulations, and national regulatory and governance requirements. The Operating Rules stipulate the LAGs must be aware of, and comply with the requirements of the Public Spending Code regarding the management of, and accountability for grants from the Exchequer. The rules supplement terms and conditions of contracts which are in place between each LAG and DRCD. The rules are binding on each LAG and project beneficiaries.

LAG membership comprises of public and private partners from economic, social, cultural and environmental sectors[11]. Where the LAG is a partnership it selects a lead partner as the LAG Financial Partner who has administrative and financial responsibility for the implementation of the LDS and the management of LAG operations generally. The LAG may also delegate

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[11] Most LAGs are now Local Community Development Committees (LCDCs) who work in partnership with Local Development Companies (LDCs) who deliver most of the actions on their behalf and Local Authorities provide financial oversight.

responsibility for certain tasks to a LAG member as an Implementing Partner (IP). The IP delivers the majority of project actions associated with the implementation of the LDS. The LAG is responsible for ensuring that each IP has the required experience and capacity to undertake the tasks delegated to it. In addition, the Department must also be satisfied that all entities involved are capable of carrying out the roles and tasks assigned to them.

A project promoter is an individual, group or body that submits a funding application to the LAG and when successful is given a contract to deliver the approved project. The project promoter is responsible for the delivery of the project itself. Each project is assessed by an independent Evaluation Committee and if recommended by that Committee is brought before the LAG Decision Making Members for approval.

MONITORING FRAMEWORK

The LEADER monitoring framework is based on the key themes and sub-themes.

Data Monitored

Programme performance is assessed through the use of common indicators (e.g. objectives, target groups, population benefitting, participants on training courses, jobs created, numbers availing of services etc.) across EU Member States which measure outputs and changes as a result of LEADER interventions at local level. These indicators feed into a common monitoring and evaluation system for rural development which have been agreed and developed among EU Member States to measure achievements at European level. Programme monitoring is carried out at both project and LAG level.

An example of this programme data is provided below. This shows that at the end of 2019 the number of:

- Full time equivalent jobs supported (created and sustained) was 2,778.
- People who completed training courses was 1,806.
- People availing of basic services for hard to reach communities was 728,965.

Reporting Tools

Monitoring data is entered into the LEADER ICT System. The LEADER ICT system is designed to collect information for the analysis of overall programme performance as part of the monitoring and evaluation requirements for RDP. The LAG reports on outputs and outcomes of projects in the context of performance indicators. There is also a qualitative aspect in terms of briefly describing progress, achievements and learnings.

As per its agreement with the Department, the LAG must keep an adequate accounting system and comprehensively document all its LEADER operations. The LAG is responsible for managing all its expenditure and funding provided to each project. LAGs must be aware of and comply with the requirements of the Public Spending Code. The LAG and the IPs must maintain a comprehensive procedures manual for the management of LEADER funding and activity. Administrative checks are carried out on all applications for support, payment claims or other

declarations submitted by a LAG, promoter, or other beneficiary or third party. The LAG must ensure that all files are maintained in a way that facilitates the completion of regulatory checks by the Department or other auditing authorities.

Annual Reports and Performance Reviews

Operating Rules require each LAG to prepare and submit an Annual Progress Report and Implementation Plan to DRCD each year. The Report summarizes the LAGs budgetary progress report, key activities, achievements and challenges from the previous year while also providing the LAG with the opportunity to showcase an implementation plan for their strategic actions and activities for the current year. The data and findings from the reports are compiled to produce an overall master report of programme achievements. DRCD completes and submits an Annual Implementation Report (AIR) to DAFM each year for onward submission to the European Commission. The Annual implementation report sets out key information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values.

The Managing Authority (DAFM), the European Commission, the European Court of Auditors, the Programme's Certifying Body, and the Department can carry out on-the-spot inspections to verify that effective structures and controls are in place and that all activities are adequately documented. The Comptroller and Auditor General may also carry out visits to examine implementation more generally.

PROGRAMME EVALUATION

Aside from monitoring and reporting outlined above, EU Regulations set a legal framework for the evaluation of the RDP 2014-2020 which includes the LEADER Programme. The Managing Authority (DAFM) commissioned Indecon to conduct a mid-term evaluation of the RDP 2014-2020 which was published in 2019[12].

Indecon highlighted that obstacles in terms of the complexity of the application process for obtaining LEADER support had previously been raised as an issue. To address this, significant changes were made to the administrative process to address the complexity of application. 31 actions were introduced to reduce the administrative burden of LEADER in 2017. Indecon have recommended that monitoring the impact of these 31 actions should be undertaken with a focus on facilitating the generation of additional quality projects to the programme. As such, the delivery of the programme is reviewed on an ongoing basis by the relevant Department unit. Related to the issue of easing administrative burden of the programme, DRCD is also currently examining the use of Simplified Cost Options (SCOs) for LAG administrative costs.

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[12] Indecon Mid-Term Evaluation of the Rural Development Programme Ireland (2014-2020), Department of Agriculture, Food and the Marine, August 2019.

5.2 SICAP 2018-2022

BACKGROUND

The Social Inclusion and Community Activation Programme (SICAP) was established in 2015 as the successor to the Local and Community Development Programme (LCDP) with the intention of being more focused and streamlined. There have been two iterations of SICAP to date. The first programme ran from 2015 to 2017, and the current programme runs from 01 January 2018 to 31 December 2022. Approximately €190 million has been allocated over the lifetime of the 2018-2022 programme but funding levels are set annually and subject to the budgetary process. The programme receives funding of approximately €30 million from the European Social Fund (ESF) as part of the ESF Programme for Employability, Inclusion and Learning 2014-2020. Over €80 million was spent on the programme as of 2019, and a funding allocation of €41 million has been provided for 2020.

The objectives, governance, monitoring and evaluation arrangements of the scheme are set out in the programme requirements published in February 2017[13]. These are discussed below.

OBJECTIVES

The aim of SICAP is to reduce poverty and promote social inclusion and equality in Ireland through supporting communities and individuals using community development approaches, engagement and collaboration. SICAP has two overarching goals.

Goal 1 - Supporting Communities

To support communities and target groups to engage with relevant stakeholders in identifying and addressing social exclusion and equality issues, developing the capacity of Local Community Groups (LCGs), and creating more sustainable communities. Goal 1 consists of five thematic areas:

- Promote Community Engagement and Stronger Communities.
- Build Capacity of Local Community Groups.
- Support Participation in Decision-Making Structures.
- Promote Collaborative Engagement.
- Support Social Enterprises which Contribute to SICAP Outcomes.

Goal 2 - Supporting Individuals

To support disadvantaged individuals to improve the quality of their lives through the provision of lifelong learning and labour market supports. Goal 2 contains seven thematic areas:

- Promote Personal Development and Wellbeing.
- Provide Lifelong Learning Opportunities.

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[13] Social Inclusion & Community Activation - Programme Requirements 2018-2022, Pobal, (February 2017).

- Provide Preventative Supports for Children and Young People.
- Prepare People for Employment and to Remain in Work.
- Promote Better Quality and Sustainable Employment.
- Provide a Pathway to Self-Employment/Social Entrepreneurship.
- Address Barriers and Gaps in Lifelong Learning and Employment.

Horizontal themes

SICAP is also underpinned by three horizontal themes.

- Promoting an equality framework with a particular focus on gender equality and anti-discrimination practices.
- Applying community development approaches to achieve the participation of disadvantaged and marginalised communities in the wider local development context.
- Developing collaborative approaches with stakeholders to improve how mainstream policies and programmes are delivered so that they impact more positively on the socially excluded.

Beneficiaries

The programme targets communities in need by taking an area-based approach, and individuals in need by taking an issue-based approach. There are six SICAP beneficiary types i.e. LCGs, Social Enterprises, Individual Beneficiaries, Children and Families, Non-Caseload Individuals, and Local Development Company (LDC) Collaborations.

- **Local Community Groups** must have a social inclusion or equality focus and/or address the needs of a SICAP target group to be eligible for support. Examples of LCGs receiving assistance from SICAP include sports groups, men's sheds, active retirement groups, community garden networks, drugs task force, mental health groups, parent and toddler groups, youth groups, support groups for people with serious illnesses/disabilities, tourism, LGBT diversity groups, Traveller women's groups, etc.
- **Social enterprises** supported under SICAP must provide services to SICAP target groups/in disadvantaged communities, or employ or provide training to SICAP target groups to be eligible for support.
- **Individual beneficiaries** are people who are registered with SICAP on a one-to-one basis and in receipt of Goal 2 interventions. There are a number of ways for an individual to come into contact with SICAP and to be registered. Individuals can approach a LDC directly, a LDC may approach an individual through outreach work, or the person could be referred to a LDC by another agency or organisation.
- **Children and families** includes children and young people (under 18 years of age) who belong to a SICAP target group and who are engaged with SICAP through their school and/or local activities. They can be supported either on their own (as a one-to-one or in a group setting) or as part of a family intervention involving their parents or guardians.

- **Non-caseload individuals** are beneficiaries who participate in specific Goal 1 community engagement activities or Goal 2 information events e.g. attend a lifelong learning information event or a jobs fair.
- **LDC collaborations** are structures that the LDC engages with to address social inclusion and disadvantage. This could include work with other entities such as local employers or agencies.

GOVERNANCE

SICAP operates through links between local, regional and national engagement. At national level the programme is led and funded by DRCD. The Department channels funding to Local Community Development Companies (LCDCs) through Local Authorities. It sets policy priorities, targets, the policy context, and is the final arbiter in respect of the programme.

Pobal acts as the agent of DRCD with respect to national management and oversight of the programme. Pobal manages the set-up and design of the programme. Its functions include monitoring programme data and preparing progress reports for the Department, and assisting with the management and delivery of SICAP.

There are 33 LCDCs nationally and each manages SICAP at a local level and directs funding to Local Development Companies (LDCs). LCDCs were established to bring about a more coordinated approach to local and community development. LCDCs are the key decision-makers in terms of annual planning, monitoring and oversight. They are responsible for monitoring LDCs' compliance through financial management and performance monitoring, and have responsibility for bi-annual performance reviews and the annual planning process.

Local Authorities support their respective LCDCs in managing the programme and provide administrative supports. Each Local Authority, subject to the approval of the LCDC, administers the SICAP bank account and issues payments to the LDC. It has a role in relation to reviewing and enforcing the obligations of the LDC.

LDCs deliver SICAP at a local level. They report to the LCDC on their progress, their work with beneficiaries, the targets achieved and ongoing financial activity. They engage with the programme target groups and record and monitor ongoing performance.

In the 2018-2022 programme, 46 LDCs were tasked with delivering the programme according to nationally specified requirements across 51 areas/lots across Ireland. Each lot has a specific target for the proportion of the caseload (individuals and community groups) living in disadvantaged areas identified by the Pobal HP Deprivation Index. In order to be awarded a contract and funding, the LDCs need to demonstrate that they have staff and expertise in place in order to fulfil the programme requirements, and submit a range of planned activities consistent with all of the SICAP goals. Ongoing receipt of SICAP funding by the LDCs is directly linked to performance against the agreed targets. SICAP indicators are measured quantitatively on an ongoing basis using Pobal's Integrated Reporting and Information System (IRIS), with additional qualitative measurements (including case studies) through end of year narrative reports.

MONITORING FRAMEWORK

The monitoring framework for SICAP lists the thematic areas for each goal, indicators to measure the outputs and outcomes, beneficiary types, and the method of data collection. The monitoring framework relies on both quantitative and qualitative indicators.

Data Monitored

The type of data monitored under the programme includes:

- Beneficiaries' registration data.

- The number, type and the duration of interventions.

- Outputs such as participation in courses, progression into employment/self-employment, jobs created, referrals to other services, events and collaborative engagement are monitored.

- Outcomes from both quantitative and qualitative sources.

There are two Key Performance Indicators (KPIs) in SICAP.

- KPI 1 - total number of LCGs supported.

- KPI 2 - total number of individuals (15 years upwards) engaged under SICAP on a one-to-one basis. There is an additional target for engaging a minimum proportion of these individuals residing in disadvantaged areas (as per the Pobal HP Deprivation Index).

The following is an example of programme data and information taken from the SICAP Annual Report (2019).

- Since 2018, 3,532 LCGs have been assisted, and received 33,083 supports. The supports/interventions provided include capacity building such as financial management and governance training, grant application and strategic planning.

- Since 2018, 453 social enterprises have been supported by the programme in areas such as business development, financial advice etc. Supported social enterprises have reported the creation of 53 full-time and 29 part-time new jobs since 2018.

- 55,412 individuals have been supported by the programme since 2018. 27,284 (49%) of individuals participated in a lifelong learning activity (course placement, apprenticeship, work experience) with 85% successfully completing their activity in 2018 or 2019. 378 individuals had achieved higher educational status by the end of 2019. 3,883 (7%) of individuals had got a job since 2018 and 5,830 individuals had progressed into self-employment.

- 1,133 events were delivered to indirect beneficiaries (who participate in activities where it is not necessary to register them to the caseload e.g. attendees at information events) of the programme. 1,512 activities have been organised for children and families. 34,854 children and 5,089 parents and guardians participated in 714 activities (such as sports/recreation/culture, welfare/wellbeing and tuition) in 2019 alone.

- LDCs participated in 809 collaborations since 2018, 66% of which addressed social exclusion and inequality issues.

Reporting Tools

There are a number of reporting tools used to monitor the programme.

- IRIS is a customized customer relationship manager application. Programme data is inputted and stored in the IRIS database and LDCs, LCDCs, Pobal, DRCD, and other entities have various levels of access.

- LCDCs monitor LDC performance through a summary report card which displays key performance information and allows for a centralized review of IRIS data.

- Pobal designs and administers a short annual survey to LCGs and social enterprises which have received SICAP supports. This is designed to collect qualitative information which is not recorded on IRIS.

- A distance travelled tool has been developed to demonstrate personal progression for individuals who receive SICAP supports. It is designed to collect individual level qualitative information which is not recorded on IRIS.

- Qualitative research projects overseen by Pobal and the Department review and analyze themes and outcomes which are not readily measurable through IRIS.

- The Economic and Social Research Institute (ESRI) have been contracted to carry out a series of project level evaluations of SICAP, continuing their research work previously carried out on the 2015-2017 programme.

- Sharing of learning among the stakeholders is also used to disseminate good practice.

- Annual progress reports and performance reviews are also used to monitor and review delivery. These are discussed further below.

Annual Reports and Performance Reviews

A number of steps are undertaken each year to plan, monitor and review delivery and performance.

- LDCs are required to submit a SICAP annual plan to the LCDC setting out their proposed SICAP plan for the coming year. The annual plan covers a 12 month period and details the actions to be delivered by LDCs under both SICAP goals, including targets for service delivery, outcomes and costs.

- The continued funding of SICAP is subject to positive findings from a mid-year and annual performance review by the LCDC and the KPI targets being met.

- LDCs are required to submit an annual progress report to the LCDC at the end of each 12 month period. This report is reviewed by Pobal and common themes and trends are reported and described in the Pobal SICAP Annual Report.

- LCDCs must prepare an annual report which presents an overview of the experiences, challenges and learning over the previous year in overseeing the implementation of

SICAP. This report is used to assist Pobal and DRCD in understanding what future training and support events are needed.

- Pobal prepare a brief mid-term SICAP progress report which provides an update on SICAP performance at a national level. Pobal also prepares an annual SICAP progress report which is shared with the Department and made available online.

- In addition to the above, audits and data checks are required as part of the SICAP process. Audits are carried out annually on the LDC by the LCDC and Local Authority. The Local Government Audit Service also carry out national audits, on a sample basis, on LCDCs and LDCs each year on behalf of DRCD.

PROGRAMME EVALUATION

As mentioned, aside from the other reporting measures outlined above, SICAP continues to be subject to a programme of research and evaluation by the ESRI[14]. In its report on valuing community development (February 2019) the ESRI highlighted that no examples of formal evaluations to estimate the counterfactual impact of community development exist in either academic or policy literature. Therefore, formal measurement of the counterfactual for SICAP is problematic.

A large amount of information was found to be collected by SICAP relating to the inputs, activities and outputs of funding to community groups. In addition, detailed information was collected on the individuals who avail of education and employment supports. However, there was room for improvement in the measurement of community level outcomes. Findings showed that there were limitations with the data collected by SICAP for LCGs. The following recommendations were proposed to better capture broader community level outcomes.

- The collection of broad metrics relevant to all groups funded under SICAP for use within a Logic Model framework. These would largely focus on measures of the capacity of local groups to influence change at a community level.

- A distance-travelled measurement tool for LCGs would assist self-assessment by LCG members.

- Systematic extrapolation of good practice from intermittent thematic reports would provide a unified view of changes that are occurring in the areas of community development as a consequence of SICAP.

Existing work on improving the measurement of outcomes is underway through the use of a distance travelled tool for individuals, and case study reports. The recommendations above are under consideration in the context of the development of the next iteration of the programme which is due to commence in 2023.

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[14] Reports published to date include: Evaluation of SICAP Pre-Employment Supports, September 2020; Valuing Community Development Through The Social Inclusion Programme (SICAP) 2015–2017 Towards a Framework For Evaluation, February 2019; and Goals and Governance of SICAP 2015-2017, July 2018.

5.3 Conclusions

The purpose of the in-depth check in this chapter is to complement the self-assessment checklists completed in chapter 4 of this report. Although the checklists may indicate compliance with the PSC at a high level, a more in-depth check of programmes may nonetheless indicate that there are areas for improvement. The guidance documentation for the in-depth check can generally be summarised as a check on compliance with the PSC by examining governance, monitoring and evaluation processes in place for programmes. This includes assessing whether processes can be enhanced and whether appropriate data is collected to allow for monitoring and evaluation of the programme.

In-depth checks of the LEADER Programme 2014-2020 and SICAP 2018-2022 were undertaken as they accounted for a substantial proportion of the Department's programme expenditure in 2019 (over 30%). The checklists completed in chapter 4 of this report indicated that the LEADER Programme and SICAP are broadly compliant with the PSC. The in-depth check confirms that these programmes are well established and have substantial governance, monitoring and evaluation processes in place. A large volume of reporting and data gathering takes place under each programme. However, an examination of recent research and evaluation reports on these programmes indicates there are a number of potential improvements that can be made in terms of processes and measuring outcomes. These recommendations and a response to each of the recommendations is set out in text box 2 below.

Text box 2: Recommendations based on in-depth checks

1. **Recommendation:** The impact of actions which have been taken to reduce the administrative burden of the LEADER Programme should be monitored with a focus on facilitating the generation of additional quality projects to the programme.

   ➢ **Response:** The delivery of the programme is reviewed on an ongoing basis by the relevant Department unit. The unit is also currently examining the potential to further improve the efficiency of the operation of the programme by reducing administrative burden through the introduction of a simplified cost option for Local Action Group (LAG) expenditure.

2. **Recommendation:** Consideration of whether the measurement of broader community level outcomes as a result of SICAP can be improved through the collection of additional data. This includes broad metrics relevant to groups funded under SICAP, the use of a distance travelled tool for Local Community Groups, and the use of thematic reports.

   ➢ **Response:** Existing work on improving the measurement of outcomes is underway through the use of a distance travelled tool for individuals, and the use of case studies. This recommendation is under consideration in the context of the development of the new programme which is due to commence in 2023.

6 DRCD Agency Response

There are four agencies under DRCD's remit i.e. Pobal, the Charities Regulatory Authority, the Western Development Commission and Water Safety Ireland. The remit of these agencies, and the process adopted for assessing agency compliance with the PSC for this report is outlined below.

6.1 Department Agencies

POBAL

Pobal was established in 1992. It provides management and support services for 28 programmes. This includes administering programmes on behalf of DRCD, the Department of Children, Equality, Disability, Integration and Youth (DCEDIY), the Department of Employment Affairs and Social Protection (DEASP), the Department of Health/HSE, and a number of EU bodies.

Pobal provides varying levels of management and support for programmes. In 2019 DRCD transferred amounts totaling €61.6 million to Pobal to support these programmes as set out in table 5 below. However, it is important to note that Pobal receives and administers funding from a range of other Government Departments. Each relevant Department is responsible for ensuring their own voted monies are managed appropriately.

Table 5: Amount € millions transferred to Pobal in 2019

Department sub-head	Programme	Amount € millions
A4 – National Rural Development Schemes	Tidy Towns Grants	1.37
A5 - LEADER Programme	The LEADER Programme	1.87
B3 - Supports for Community and Voluntary Sector	SSNO and Senior Alerts Scheme	9.67
B4 - SICAP - Local/Regional Development Supports	SICAP	2.03
B6 - Supports for Disadvantaged Communities	Supports for Disadvantaged Communities	1.00
B7 - Dormant Accounts Measures	Social Enterprise	1.89
B12 - Community Services Programme	The Community Services Programme	43.77
Grand total		**61.61**

THE CHARITIES REGULATORY AUTHORITY

The Charities Regulatory Authority was established in 2014. It is Ireland's national statutory regulator for charitable organisations. Its key functions include establishing and maintaining a public register of charitable organisations operating in Ireland and ensuring their compliance with the Charities Acts. Expenditure of €3.8 million was incurred by the Charities Regulatory Authority in 2019.

THE WESTERN DEVELOPMENT COMMISSION

This is a statutory body set up to promote both social and economic development in the Western Region (Donegal, Leitrim, Sligo, Mayo, Roscommon, Galway and Clare). Its role involves developing and facilitating strategies at the regional level, providing proposals to Government on policy changes appropriate to the West, and investing in local businesses through the Western Investment Fund. Expenditure of €2.0 million was incurred by the Western Development Commission in 2019.

WATER SAFETY IRELAND

Water Safety Ireland is the statutory, voluntary body and registered charity established to promote water safety in Ireland. Its focus is on raising water safety awareness and education. Expenditure of €1.1 million was incurred by Water Safety Ireland in 2019.

6.2 Agency Compliance with the Public Spending Code

A letter was issued by the Department to each agency in May 2020 asking for written confirmation of compliance with the PSC in 2019; identification of any areas of non-compliance, and the strategies undertaken to address non-compliance should it have arisen. A copy of the body of the letter issued by DRCD and written assurance of compliance by the CEO of each agency can be found in Appendix D of this report.

Responses received from Department agencies indicate compliance with the PSC. Pobal identified one area of non-compliance with national procurement guidelines. This related to approximately €1 million of expenditure on ICT and project management services used to deliver the National Childcare Scheme which is funded by the Department of Children, Equality, Disability, Integration and Youth (DCEDIY). DRCD and DCEDIY were aware of this issue. It had previously been raised by the Comptroller and Auditor General as part of its review of Pobal's financial accounts[15], and during Pobal's appearance before the Public Accounts Committee in December 2019[16]. This issue has now been resolved following the implementation of a compliance procurement plan initiated in late 2019.

It is also important to note that each agency has a dedicated line unit in DRCD with responsibility for oversight of its functions and activities. For example, each of these units is responsible for ensuring the completion of an annual checklist of DRCD's agencies based on the Code of Practice for Governance of State Bodies[17] (2016) which provides a framework for the application of best practice in corporate governance by State bodies. The purpose of the checklist is to confirm to the Minister that these agencies comply with the requirements of the Code in their governance practices and procedures. As part of the Business and Financial Reporting Requirements[18] of the Code (2016), agencies must complete annual statements and audited

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[15] 2018 Annual Report: Annual Financial Statements, Pobal.
[16] Pobal: Financial Statements 2018, Committee of Public Accounts debate, 12 December 2019.
[17] Code of Practice for the Governance of State Bodies, Department of Public Expenditure and Reform, 2016.
[18] Code of Practice for Governance of State Bodies, Business and Financial Reporting Requirements, Department of Public Expenditure and Reform ,2016.

financial statements each year. External audit of non-commercial State bodies including all DRCD agencies is carried out by the Comptroller and Auditor General[19]. Therefore, while the Code (2016) has a wider focus on principles of good governance, it also has relevance to compliance with requirements of the PSC.

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[19] Who We Audit – Semi State Agencies, Comptroller and Auditor General.

7 Conclusions

As required under the Public Spending Code, this report presents the findings of a Quality Assurance Process (QAP) on Department expenditure in 2019. There are a number of steps involved in the completion of the QAP as set out below.

7.1 Inventory of DRCD Programme Expenditure

In chapter 3 of this report an inventory of Department programme and grant scheme expenditure greater than €500,000 was divided into incurred and completed programme expenditure. Incurred programme expenditure was divided across three high level programme areas. In the Rural Development and Regional Affairs Programme area, programme expenditure was approximately €128.6 million in 2019, most of which was capital expenditure. In the Community Development Programme area, programme expenditure was €142.0 million, most of which was current expenditure. Almost €3.8 million more in current expenditure was incurred for the Charities Regulatory Authority.

7.2 Self-assessment checklists

Chapter 4 summarised the completion of self-assessment checklists on general obligations not specific to any individual programme, and completion of specific checklists for a sample of Department programmes. The general obligations checklist was completed by the Finance and Evaluation unit, and four programme specific checklists (for the LEADER Programme 2014-2020, the RRDF 2019-2027, the LIS, and SICAP 2018-2022) were completed by Department units who manage these programmes. The completed checklists can be found in Appendix B of this report.

The general obligations checklist consist of 12 questions which broadly cover issues such as awareness/training on the PSC and the evaluation processes in place across the Department. While the checklist indicates compliance with the PSC, four questions were rated as compliant but with some improvement necessary. These questions were focused on organisational awareness and training on the PSC, whether the PSC has been adapted to the type of programmes managed by the Department, and whether there is a process for following up on recommendations from evaluations. As a result two recommendations for improvement have been made. These recommendations and a response highlighting the actions being undertaken to address each of the recommendations is set out in text box 3 overleaf.

Text box 3: Recommendations based on checklists findings

1. **Recommendation:** While there is general awareness of the PSC in DRCD, improvements can be made to increase staff awareness/training on the requirements of the PSC (see Appendix B, Checklist 1 - Questions 1 to 3).

    ➢ **Response:** Work is currently underway within the Department to address this by mapping the PSC requirements to Department activities to provide guidance to staff on the practical application of the PSC to their work.

2. **Recommendation:** Each line unit is responsible for following up on recommendations from reviews/evaluations which are relevant to their areas of work. However, there is a need to establish a Department procedure for following up on recommendations from policy and programme reviews/evaluations (see Appendix B, Checklist 1 - Question 11).

    ➢ **Response:** Department units will provide an update on the status of approved recommendations to DRCD's Management Board based on set timeframes agreed with the Management Board.

The programme specific checklists related to questions covering the governance, monitoring and evaluation processes in place for the programmes. The checklists indicate that the four programmes examined in this report are compliant with the PSC.

- The LEADER Programme 2014-2020 has strong governance, monitoring and evaluation procedures in place and as an EU policy programme is subject to both EU and national rules/regulations.

- The RRDF 2019-2027 has appropriate governance, monitoring and evaluation processes in place. The Fund is at an early phase of its implementation so that many of the requirements will emerge as projects are completed in the future. As such, it is important that focus remains on implementation and follow up on these requirements over its lifetime.

- The LIS is under the remit of DRCD but administered by local authorities. The completed checklists indicate compliance with the requirements of the PSC.

- The completed checklist for SICAP 2018-2022 indicates that the programme has a well-established system of governance, monitoring and evaluation in place.

7.3 In-depth check of DRCD programmes

The QAP requires an in-depth check on a smaller sample of the projects/programmes selected for examination in the checklists. While the checklists may indicate compliance with the PSC at a high level, a more in-depth check may indicate that there are areas for improvement. Guidance documentation states that the in-depth check should examine governance, monitoring and

evaluation processes. This includes assessing whether processes can be enhanced and whether appropriate data is collected to allow for monitoring and evaluation of the programme.

The in-depth checks was completed in chapter 5 of this report for both the LEADER Programme 2014-2020 and SICAP 2018-2022. These programmes were subject to in-depth checks as they accounted for a large proportion (over 30%) of Department programme expenditure in 2019. The in-depth check confirms that these programmes are well established and have substantial systems of governance, monitoring and evaluation in place. However, an examination of recent research and evaluation[20] reports on these programmes indicates there are potential improvements that can be made to programme processes and measurement of outcomes. These recommendations and a response highlighting the actions being undertaken to address each recommendation is set out in text box 4 below.

Text box 4: Recommendations based on in-depth checks

1. **Recommendation:** The impact of actions which have been taken to reduce the administrative burden of the LEADER Programme should be monitored with a focus on facilitating the generation of additional quality projects to the programme.

   ➢ **Response:** The delivery of the programme is reviewed on an ongoing basis by the relevant Department unit. The unit is also currently examining the potential to further improve the efficiency of the operation of the programme by reducing administrative burden through the introduction of a simplified cost option for Local Action Group (LAG) expenditure.

2. **Recommendation:** Consideration of whether the measurement of broader community level outcomes as a result of SICAP can be improved through the collection of additional data. This includes broad metrics relevant to groups funded under SICAP, the use of a distance travelled tool for Local Community Groups, and the use of thematic reports.

   ➢ **Response:** Existing work on improving the measurement of outcomes is underway through the use of a distance travelled tool for individuals, and the use of case studies. This recommendation is under consideration in the context of the development of the new programme which is due to commence in 2023.

7.4 Agency compliance with the Public spending Code

The QAP also requires an assessment of how Department agencies are meeting their PSC obligations. This was completed in chapter 6 of this report. The Department has four agencies under its remit: Pobal, the Charities Regulatory Authority, the Western Development Commission, and Water Safety Ireland. DRCD agencies were issued a letter highlighting the requirements of the PSC and QAP. The letter asked the CEO of each organisation for written

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[20] [Indecon Mid-Term Evaluation of the Rural Development Programme Ireland (2014-2020)](#), Department of Agriculture, Food and the Marine, August 2019. [Valuing Community Development Through The Social Inclusion Programme (SICAP) 2015–2017 Towards a Framework For Evaluation](#), ESRI, February 2019.

confirmation of their organisation's compliance with the PSC in 2019, identification of areas of non-compliance, and the strategies taken to address non-compliance, if any.

Responses received indicate that there is compliance with the obligations of the PSC. Pobal identified non-compliance with national procurement guidelines relating to expenditure on ICT and project management services. This issue has now been resolved following the implementation of a compliance procurement plan initiated in late 2019.

Appendix A – Inventory of Department Programmes/Projects

Table 1A lists projects over €500,000 under each Department sub-head and programme which incurred expenditure in 2019.

Table 1A: Projects over €500,000 by Department sub-head and programme

Department sub-head	Programme	Project	Current expenditure €	Capital expenditure €	Project timeline	Explanatory notes
A4 National Rural Development Schemes	The Walks Programme	Coillte Teoranta	NA	2,000,000		Ongoing commitment. Memorandum of Understanding in place.
	Outdoor Recreation Infrastructure Scheme	South Dublin County Council - Funding for Dodder Greenway	NA	750,000		
	Outdoor Recreation Infrastructure Scheme	Funding for Clewbay Trail	NA	579,241		
A10 Rural Regeneration and Development Fund	Rural Regeneration and Development Fund	Coillte Teoranta - Funding for International Mountain Biking Project	NA	3,000,000		Total commitment €10,262,900
		Galway County Council - Funding Athenry / Bia Innovator	NA	2,927,310		Total commitment €3,554,000
		Department of Culture, Heritage & Gaeltacht - Funding National Parks	NA	1,566,000		Total commitment €3,915,000
		Clare County Council - Funding Lahinch Seaworld and Town Upgrade Project	NA	1,034,654		Total commitment €2,860,000
		Clare County Council - Funding Ennistymnon Innovation Centre	NA	920,970		Total commitment €1,023,300
		Clare County Council - Funding Vandeleur Estate	NA	860,000		Total commitment €1,720,000
		Sligo County Council - Funding for Claremorris Indoor Sports Facility	NA	2,100,000		Total commitment €2,100,000
		Ballyhoura Development Ltd - Funding Murroe Community Hub	NA	1,908,225		Total commitment €3,816,451
		IRD Duhallow - Funding Banteer Amenity Project	NA	829,000		Total commitment €1,128,000

		Udaras Na Gaeltachta - GTEIC GAOTH DOBHAIR	NA	553,244		Total commitment €1,500,000
		Office of Public Works - EMO COURT	NA	500,000		Total commitment €1,200,000
B6 Supports for Disadvantaged Communities	Supports for Disadvantaged Communities	Supports for Dublin North East Inner City	NA	1,402,019		
		Supports for Dublin North East Inner City	2,436,981	NA		
		Social Inclusion and Addiction Service	1,291,000	NA		
		Pilot Social Employment Programme	1,000,000	NA		
B7 Dormant Accounts Measures	Dormant Accounts Measures	Social Innovation Fund Ireland Drawdown	5,500,000	NA		Ongoing commitment
		Social Enterprise Training	800,000	NA		
		Seniors Alert Scheme	752,491	NA		
		AEC HUB Network Project	1,000,000	NA		
B10 Library Development and Archive Service	Library Development	Longford County Council - funding for Edgeworthstown Library	NA	2,000,000	Planned completion date is December 2020, with opening date planned for Q1 2021.	
		Clare County Council - funding for Ennis Library	NA	806,000	Planned completion date of 2022.	
		South Dublin County Council - funding North Clondalkin Library	NA	762,135	The library opens in October 2020, subject to restrictions as outlined in the Governments Resilience and Recovery 2020-2021 Plan for Living with COVID-19.	
Grand total			12,780,472	24,498,798		

Appendix B – Department Checklists

Checklist 1: General Obligations

	General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 1 – 3	Comment/Action Required
Q 1.1	Does the organisation ensure, on an ongoing basis, that appropriate people within the organisation and its agencies are aware of their requirements under the Public Spending Code (incl. through training)?	2	There is awareness of the PSC requirements generally among staff. However, awareness/training has not been undertaken on a Department wide basis. Work is currently underway within the Department to address this by mapping the PSC requirements to Department activities to facilitate discussion of the practical application of the PSC with staff.
Q 1.2	Has internal training on the Public Spending Code been provided to relevant staff?	2	See reply to Q1.1 above.
Q 1.3	Has the Public Spending Code been adapted for the type of project/programme that your organisation is responsible for, i.e., have adapted sectoral guidelines been developed?	2	Approaches to monitoring and measurement of programmes varies depending on the nature of the programme. Department units are responsible for oversight of the programmes they manage. No specific sectoral guidelines have been adopted on a Department wide basis. However, as noted in reply to Q1.1 above, work is underway to map PSC obligations to Department activities.
Q 1.4	Has the organisation in its role as Approving Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	3	The Department has monitoring procedures in place with its agencies. Specific line units are responsible for oversight of Department agencies. These line units must ensure completion of an annual checklist to confirm agencies compliance with the Code of Practice for Governance of State Bodies (2016). Annual reporting and audited financial accounts are required under the Code. The C&AG is responsible for external auditing of DRCD agencies. A letter requiring confirmation of compliance with the PSC was issued to agencies as part of this report, which confirms compliance.
Q 1.5	Have recommendations from previous QA reports (incl. spot checks) been disseminated, where appropriate, within the organisation and to agencies?	N/A	The Department was established in 2017. This is the first QAP undertaken by the Department.
Q 1.6	Have recommendations from previous QA reports been acted upon?	N/A	See reply to Q 1.5 above.
Q 1.7	Has an annual Public Spending Code QA report been submitted to and certified by the Approving Authorities Accounting Officer and published on the Approving Authorities website?	N/A	See reply to Q1.5 above.
Q 1.8	Was the required sample of projects/programmes subjected to in-depth checking as per step 4 of the QAP?	3	An in-depth check of a sample of programmes accounting for over 30% of programme expenditure in 2019 has been undertaken in this report.
Q 1.9	Is there a process in place to plan for ex post evaluations?	3	An Evaluation Unit was established in late 2018 to strengthen the level of Research and Evaluation in the Department, with 2019 the first full year of its operation and work planning. Research and evaluation is also undertaken through commissioned reviews, and research agreements with external bodies. Furthermore, an internal Departmental evaluation sub-group was established in 2019 to contribute to a greater level of evidenced informed decision-making. Department agencies also undertake their own research, and research in conjunction with the Department. The Department programmes examined in this report have processes in place for ex post evaluation.

Q 1.10	How many formal evaluations been completed in the year under review? Have they been published in a timely manner?	3	A number of reviews/evaluations were in progress and/or published in 2019 including the Community Services Programme, SICAP, Indecon's mid-term review of the RDP including LEADER, the Local Improvement Scheme, Local Community Development Committees, and the Dublin North East Inner City Initiative.
Q 1.11	Is there a process to follow up on the recommendations of previous evaluations?	2	Each line unit is responsible for following up on recommendations relevant to their work areas.
Q 1.12	How have the recommendations of reviews and ex-post evaluations informed resource allocation decisions?	3	Resource allocations are informed on the basis of need as appropriate. Reviews/evaluations form part of this process.

Checklist 4A: Incurred Capital Expenditure – LEADER Programme 2014-2020

	Incurred Capital Expenditure	Self-Assessed Compliance Rating: 1 – 3	Comment/Action Required
Q 4.1	Was a contract signed and was it in line with the Approval in Principle?	3	Funding applicants submit an Expression of Interest (EOI) to the LAG which is then assessed by project officers to proceed to application stage. Successful applicants are then given a Letter of Offer and when written acceptance is confirmed by the applicant, the project can then commence. When an applicant submits a claim for payment in respect of completed works a check is undertaken to ensure that the works completed are in line with those outlined in the Letter of Offer before payment is issued.
Q 4.2	Did management boards/steering committees meet regularly as agreed?	3	LAGs generally meet on a monthly/bi-monthly basis. During the 2019 reporting period a total of 266 LAG meetings took place. An Evaluation Committee is established within the LAG to review all applications prior to being submitted for approval to the LAG Decision Making Members. A total of 306 Evaluation Committee meetings were held during 2019.
Q 4.3	Were programme co-ordinators appointed to co-ordinate implementation?	3	DRCD has Paying Agency functions and Managing Authority responsibility for the LEADER Programme. The LAG Implementing Partner (IP) delivers the LEADER programme on the ground. The tasks assigned to it are decided by the LAG members. These tasks include managing calls for proposals up to, and including, the final submission of project recommendations for assessment by the LAG Evaluation Committee, and approval or otherwise by the LAG. Following the approval of funding the IP works with the beneficiary to ensure the project is completed and claims for payment of the grant are submitted.
Q 4.4	Were project managers, responsible for delivery, appointed and were the project managers at a suitably senior level for the scale of the project?	3	The LAG is the project manager and budget holder on the ground. LAG membership is a balanced representation of both public and private sector socio-economic interests from the relevant rural area. Typically, a LAG comprises of local authority elected members and officials, business representatives, representatives from the community and voluntary sector, local development representatives, farming interests and representatives from local State agencies.
Q 4.5	Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	The Department is responsible for on-going checks and controls in respect of LAG expenditure. Weekly reports are generated to monitor, amongst other items, programme spend and approved projects. The Department also carries out monitoring of LAG compliance with financial management and decision making requirements, for example through the Annual Performance Review and Annual Implementation Plan. The LEADER ICT System has been specifically designed to ensure that all data is captured in relation to the programme.

Q 4.6	Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	The LAG must detail the rate of aid and the maximum grant amount in the letter of offer to the funding applicant. The LAG may not award an increase in funding to an applicant in any circumstances. All contract commitments are final. The completion date is a matter for LAG Decision Making Members determination and must be imposed for all financial commitments. The LAG may not extend a completion date by more than 12 months in total.
Q 4.7	Did budgets have to be adjusted?	N/A	N/A
Q 4.8	Were decisions on changes to budgets / time schedules made promptly?	N/A	N/A
Q 4.9	Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (Exceeding budget, lack of progress, changes in the environment, new evidence, etc.)	3	The LAG determines the viability of all LEADER projects. EOIs will not progress to full application stage where the project involves ineligible activities, the project is not in line with the terms of the call for EOI's, or the project is not in line with the LDS objectives.
Q 4.10	If circumstances did warrant questioning the viability of a project/programme/grant scheme was the project subjected to adequate examination?	3	All projects awarded funding under the LEADER Programme are open to a rigorous control framework in place for EAFRD funding. These checks include pre-payment and ex-post checks on project and administrative expenditure, and a system for the supervision of LAGs.
Q 4.11	If costs increased was approval received from the Approving Authority?	N/A	N/A
Q 4.12	Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N/A	N/A

Checklist 4A: Incurred Capital Expenditure - Rural Regeneration and Development Fund 2019-2027

	Incurred Capital Expenditure	Self-Assessed Compliance Rating: 1 – 3	Comment/Action Required
Q 4.1	Was a contract signed and was it in line with the Approval in Principle?	3	The lead party is required to sign a contract for projects. Approval is provided in principle, having regard to completion of a final business case including project tendering, and final assessment of costs and scope.
Q 4.2	Did management boards/steering committees meet regularly as agreed?	3	Governance arrangements are set out as part of the business case process. A schedule of management board/steering group meetings is provided by the lead party.
Q 4.3	Were programme co-ordinators appointed to co-ordinate implementation?	3	Management of the fund is undertaken by Department staff who are responsible for monitoring projects. At project level, governance and project management arrangements must be set out for each project as part of the business case.
Q 4.4	Were project managers, responsible for delivery, appointed and were the project managers at a suitably senior level for the scale of the project?	3	A project manager must be appointed as part of the conditions of project contracts.
Q 4.5	Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Progress reports are submitted to the Department on a quarterly basis. These reports show the stage of the project and monthly milestones/deliverables and related funding requirements.

Q 4.6	Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	The RRDF is at an early stage of implementation. The allocation of funding to the RRDF is set. Progress in relation to project costs and timelines are monitored by the Department. However, as projects progress the timelines for completion of project milestones have sometimes varied from original expectations.
Q 4.7	Did budgets have to be adjusted?	3	The allocation of funding under the RRDF is set. There were no instances of changes to project costs in 2019 following project approval.
Q 4.8	Were decisions on changes to budgets / time schedules made promptly?	3	The Department undertakes decisions in a timely manner. Quarterly progress reports on projects are provided to the Department which highlight any changes.
Q 4.9	Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (Exceeding budget, lack of progress, changes in the environment, new evidence, etc.)	3	Project viability is assessed at the business case phase and through the monitoring process during the implementation of projects.
Q 4.10	If circumstances did warrant questioning the viability of a project/programme/grant scheme was the project subjected to adequate examination?	N/A	N/A
Q 4.11	If costs increased was approval received from the Approving Authority?	N/A	N/A
Q 4.12	Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	3	Funding for one project approved in principle was subsequently withdrawn due to a change in the scope of the project during assessment of its business case.

Checklist 4A: Incurred Capital Expenditure - Local Improvement Scheme

	Incurred Capital Expenditure	Self-Assessed Compliance Rating: 1 – 3	Comment/Action Required
Q 4.1	Was a contract signed and was it in line with the Approval in Principle?	3	A funding agreement is issued to all Local Authorities once the Department has approved their lists of roads for completion for the year in question. These agreements are signed by the Director of Service or equivalent senior grade within the Local Authority
Q 4.2	Did management boards/steering committees meet regularly as agreed?	3	The scheme is administered by Local Authorities.
Q 4.3	Were programme co-ordinators appointed to co-ordinate implementation?	3	The Department has policy and exchequer funding responsibility for the scheme. Local Authorities administer the scheme in collaboration with their road departments and engineers.
Q 4.4	Were project managers, responsible for delivery, appointed and were the project managers at a suitably senior level for the scale of the project?	3	Local Authorities administer the scheme in collaboration with their road departments and engineers.
Q 4.5	Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	As the annual deadline for drawdown of funding approaches, the Department liaises with Local Authorities to ensure projects are completed. The Local Authority must furnish the Department with a compliance checklist to verify that all funding terms and conditions have been adhered to. This is signed at Direct of Service or equivalent senior grade.
Q 4.6	Did projects/programmes/grant schemes keep within their financial budget and time schedule?	3	Local Authorities must submit lists of roads for funding within set allocations of funding.

Q 4.7	Did budgets have to be adjusted?	3	A substitution may arise where a road is moved from a secondary list (backup list of roads) to a priority list (roads to be funded) following written Departmental approval. The funding offer to the Local Authority may then be adjusted upwards or downwards as the case may be. But this must remain within the overall funding allocation provided for the year.
Q 4.8	Were decisions on changes to budgets / time schedules made promptly?	3	When a request for substitution from the secondary list to the priority list is received, the Department reverts to the Local Authority in a timely manner to ensure roads can be completed on time if approved for funding.
Q 4.9	Did circumstances ever warrant questioning the viability of the project/programme/grant scheme and the business case incl. CBA/CEA? (Exceeding budget, lack of progress, changes in the environment, new evidence, etc.)	3	An audit and compliance mechanism is in place. A minimum spot check system also operates to ensure compliance with the terms and conditions of the scheme.
Q 4.10	If circumstances did warrant questioning the viability of a project/programme/grant scheme was the project subjected to adequate examination?	3	If an issue arises, appropriate steps taken to advise the Local Authority of any recommendations going forward. This can result in all or part of the funding being recovered by the Department where there is non-compliance.
Q 4.11	If costs increased was approval received from the Approving Authority?	3	Exchequer funding must remain with the overall funding allocation for the year.
Q 4.12	Were any projects/programmes/grant schemes terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N/A	N/A

Checklist 5: Incurred Current Expenditure – Social Inclusion and Community Activation Programme 2018-2022

	Incurred Current Expenditure	Self-Assessed Compliance Rating: 1 -3	Comment/Action Required
Q 5.1	Are there clear objectives for all areas of current expenditure?	3	The objectives are set out in the Programme Requirements. There are two programme goals along with a number of thematic areas upon which Local Development Companies (LDCs) must focus.
Q 5.2	Are outputs well defined?	3	There are two Key Performance Indicators (KPIs) in SICAP, one per goal, with annual targets set for each of these which LDCs must achieve. In addition, there are 12 thematic areas of work LDCs must focus on.
Q 5.3	Are outputs quantified on a regular basis?	3	There is a monitoring framework in place and an established monitoring cycle. Interventions and outputs are input into the Integrated Reporting and Information System (IRSI) throughout the year. Annual plans, mid-year reviews and end of year financial and monitoring reports are submitted and reviewed to assess progress.
Q 5.4	Is there a method for monitoring efficiency on an ongoing basis?	3	IRIS is the database where SICAP data is input and stored. The data is entered by the LDCs and can be extracted for analysis including financial performance among others. In addition to the mid-year and annual performance reviews, other reviews, audits and data checks are required as part of the SICAP process.
Q 5.5	Are outcomes well defined?	3	LCDCs and LDCs must agree targets for the annual plan. This outlines the outcomes expected to be delivered. The programme framework sets out the 29 programme outcomes which are expected to be achieved.
Q 5.6	Are outcomes quantified on a regular basis?	3	The mid-year review shows target progression. The annual performance review ensures that SICAP has been delivered in line with the annual plan and targets met.

Q 5.7	Are unit costings compiled for performance monitoring?	3	The budget allocation is outlined in each LDCs annual plan. The continued funding of SICAP is subject to positive findings from the mid-year and annual performance review by the LCDC and the KPI targets being met. These reports itemize expenditure by associated costs.
Q 5.8	Are other data complied to monitor performance?	3	IRIS is the main platform used to capture data for monitoring ongoing performance including quantitative data. Given the nature of the scheme, other qualitative data is also captured through surveys, case studies and research. A newly developed distance travelled tool for individuals will assist with more qualitative assessment of the outcomes of the programme. Audits are carried out on each Lot area annually on the LDC by the LCDCs and local authorities. LGAS also carry out national audits on LCDCs and LDCs each year on behalf of the Department.
Q 5.9	Is there a method for monitoring effectiveness on an ongoing basis?	3	Reports can be run from IRIS to monitor the ongoing effectiveness and progression of the programme at any time. Annual reports and end of programme reports are also used to analyse performance. In addition, a programme of research and evaluation has been agreed with the ESRI. A number of reports have been completed to date with other reports expected in the future including a series of project level evaluations.
Q 5.10	Has the organisation engaged in any other 'evaluation proofing' of programmes/projects?	3	There is a programme of research and evaluation with the ESRI which involves completion of a number of reports on SICAP. Reports have been completed to date with other reports expected in the future including a series of project level evaluations. A number of suggestions have been made in these reports for evaluation proofing which have been or are in the process of being implemented including the use of thematic reports or case studies, and the introduction of a distance travelled tool for individuals to measure outcomes.

Appendix C – Outline of the RRDF 2019-2027 and the LIS

A brief outline of the operation of the Rural Regeneration and Development Fund (RRDF) 2019-2027, and the Local Improvement Scheme (LIS) is provided below.

1. Rural Regeneration and Development Fund 2019-2027

The RRDF is a fund which provides for capital investment in rural Ireland over the period 2019 to 2027. It is part of the Government's long term strategy for Ireland i.e. Project Ireland 2040. The aim of the RRDF is to support job creation in rural areas, address de-population of rural communities and support improvements in towns and villages with a population of less than 10,000, and outlying areas.

Just over €31 million was spent on the fund in 2019 representing just over 11% of DRCD's total programme expenditure and almost 23% of total capital programme expenditure in 2019. The RRDF is at an early stage of its lifecycle as 2019 was the first year of its implementation. Therefore future allocations and expenditure will increase over its lifetime as more projects are completed e.g. the 2020 allocation for the Fund is €53 million. Funding for capital projects is awarded by the Department through a competitive bid process. For accountability and oversight, the lead partner / applicant of all projects must be a State funded body. At a high level the process can be summarised as follows.

Preliminary Business Case

- Projects are approved for funding based on an assessment of information provided in their application forms and supporting documentation.
- These projects are then subject to due diligence (verification form) to confirm particulars including project timelines, project management, and planning permissions.
- Approval in principle is issued to applicants including terms and conditions of funding. A contract is signed with the lead applicant.

Final Business Case

- A project brief and procurement strategy must be submitted to the Department for review. A confirmation of pre-tender approval is provided to applicants.
- On completion of tendering, the preferred tender must be submitted to the Department for review including details of costs and timelines.
- The project is then approved to proceed to implementation stage. The delivery and monitoring of the project in the implementation stage is the responsibility of the lead applicant.

Implementation

- Payment is based on vouched expenditure for the delivery of key milestones agreed between the Department and the lead applicant.

- Progress reports are submitted to the Department on a quarterly basis indicating the current stage of the project and timelines for deliverables.

Review and Ex-post Evaluation

- A project completion report is required to be submitted to the Department which assesses the objectives / impact, project scope, costs, timelines and lessons learned.

- It is also a requirement that an evaluation of the outcomes of the project is completed.

2. Local Improvement Scheme

The Local Improvement Scheme (LIS) was established in 1968. It provides exchequer funding for the construction or improvement of non-public roads. The scheme is specifically provided for in legislation (section 81 of the *Local Government Act 2001*). Policy responsibility for the scheme has been under the remit of the Department of Rural and Community Development since 2017 but the administration of the scheme is the responsibility of local authorities.

Almost €14 million was spent on the scheme in 2019 representing just under 5% of DRCD's total programme expenditure and just under 10% of total capital programme expenditure in 2019. €10 million has been allocated to the scheme for 2020. Exchequer funding is allocated annually from the Department to local authorities for completion of works. Local authorities submit a list of proposed priority projects using a template supplied by the Department for funding approval purposes. A secondary list of projects which could potentially be funded should there be substitution with projects on the priority list, or if additional funding becomes available, is also submitted. It is the local authorities who determine which projects are prioritised and who must also ensure projects meet the terms and conditions of the scheme.

Projects are prioritised by local authorities based on scoring criteria such as the number of landowners being served, the length of time the project is waiting to be funded, those most in need of attention etc. Once projects have been approved for funding, the local authority makes an offer to applicants who may then either accept or reject the offer. Local authorities later submit a final list of projects to the Department, when completed, in order to draw down on exchequer funding allocated to them. A Scheme Outline (April 2020) sets out the terms and conditions of the scheme.

Appendix D – Letters of Assurance from Department Agencies

The body of the letter issued to Department agencies, and the reply received (table 1D) is set out below.

Body of letter issued to Department Agencies

I am writing to you to inform you that the Department is currently finalising a *Quality Assurance Process* to demonstrate compliance with the provisions of the *Public Spending Code* (PSC). This relates to expenditure of the Department of Rural and Community Development (DRCD) and its agencies in 2019. The PSC is published online at https://www.gov.ie/en/publication/public-spending-code/

You will be aware that the PSC sets out obligations that organisations must adhere to when spending public money. It applies to both capital and current expenditure, and comprises a set of rules, procedures, and guidance to ensure value for money is obtained for public expenditure. It seeks to establish clear objectives for expenditure, regular quantification of outputs and outcomes, effective performance monitoring and periodic reviews of effectiveness.

As part of DRCD's corporate governance oversight, agencies under the Department's remit are required to complete a letter of assurance that the requirements of the PSC were complied with in your organisation in 2019. It is suggested that this should also be brought to the attention of your Board of Management in due course.

Please sign this Letter of Assurance below indicating compliance with the requirements of the PSC. You should also separately outline areas of non-compliance, if any, and the strategies being undertaken to address non-compliance. I would be obliged if you return a soft copy of the Letter of Assurance on or before 10 July 2020.

I draw your attention to the *Public Spending Code: Quality Assurance Process* (available under the technical guidance series on the PSC website). This includes templates and checklists which will assist you in assessing your organisaton's compliance with the PSC. We are mindful that not all of the checklists may apply. The Department does not require the return of completed inventory tables and checklists in this instance.

I recognize that there is a degree of overlap with the Code of Practice for the Governance of State Bodies (CCGSB) published at https://govacc.per.gov.ie/governance-of-state-bodies/. The CCGSB has a wider focus on principles of good governance: accountability, transparency, probity and a focus on the sustainable success of the organisation over the longer term.

Confirmation of compliance with the requirements of the PSC forms part of the overall confirmation to the Minister that governance practices and procedures of an agency are in accordance with the broader CCGSB Code. I understand this confirmation has already been made by your organisation.

Table 1D: Reply from Department agencies

Agency	Reply from Department Agencies
Pobal	I can confirm that Pobal has complied with the provisions of the Public Spending Code: *A Guide to Evaluating, Planning and Managing Public Investment* in respect of the year ending 31 December 2019. Pobal's internal controls are designed to provide reasonable assurance that risks are appropriately managed and objectives achieved. This is done through the implementation of policies, procedures, operational guidelines, information systems and monitoring and reporting processes. These controls takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016). Pobal's Statement on Internal Control for the year ended 31st December 2019 has been reviewed by Pobal's Audit, Finance and Risk Subcommittee and the Pobal Board to ensure it accurately reflects the control system in operation during the reporting period. There was €1.04m (excl VAT) of committed expenditure that did not fully comply with procurement guidelines. A compliance procurement plan was adopted in Q4 2019. The final tender required under the plan is expected to be awarded by the end of July 2020 thus finalising the procurement plan. The Comptroller and Auditor General has completed its audit of the 2019 Annual Financial Statements and issued its certificate on June 30th 2020. Signed by: **Anna Shakespeare**
The Charities Regulator	I can confirm that the Charities Regulatory Authority has complied with the provisions of the Public Spending Code: *A Guide to Evaluating, Planning and Managing Public Investment* in respect of the year ending 31 December 2019. Signed by: **Helen Martin** Chief Executive Charities Regulatory Authority Date: 12 / 06 / 2020
The Western Development Commission	I can confirm that the Western Development Commission has complied with the provisions of the Public Spending Code: *A Guide to Evaluating, Planning and Managing Public Investment* in respect of the year ending 31 December 2019. Signed by: **Tomás Ó Síocháin** Chief Executive Western Development Commission Date: 11 / 06 / 2020
Water Safety Ireland	I can confirm that Water Safety Ireland has complied with the provisions of the Public Spending Code: *A Guide to Evaluating, Planning and Managing Public Investment* in respect of the year ending 31 December 2019. Signed by: **John Leech** Chief Executive Water Safety Ireland Date: 21 July 2020