

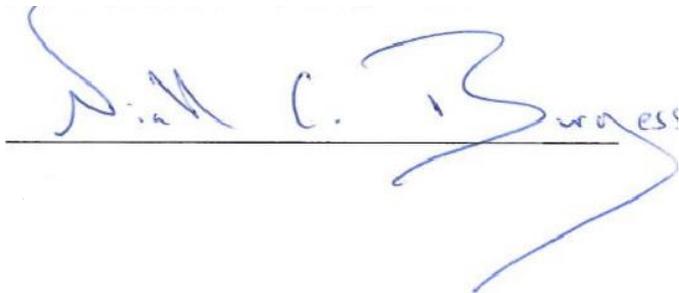


Department of Foreign Affairs
Public Spending Code Quality Assurance Report
2018

Certification

The annual public spending code quality assurance report for the Department of Foreign Affairs is an assessment of the level of compliance with the code. It serves as an aid to the Department in its ongoing task of achieving the best value for money. It is based on the best financial, organisational and performance related information available across the various areas of responsibility.

Signature of the Accounting Officer

A handwritten signature in blue ink, reading "David C. Burgess", is written over a horizontal line. The signature is stylized and extends to the right of the line.

Date: 27 August 2021

Contents

1. Introduction	4
2. Programme Inventory and Expenditure Analysis	4
3. Published Summary of Procurements	5
4. Assessment of Compliance	5
5. In depth checks on Selected Programmes	10
6. Conclusion	15
Appendix 1 Quality Assurance Procedure	16
Appendix 2 DFA's Programme Inventory	17

1. Introduction

All Irish public bodies are obliged to treat public funds with care, and to ensure that the best possible value-for-money is obtained whenever public money is being spent or invested.

The Public Spending Code (PSC) (September 2013) (<http://publicspendingcode.per.gov.ie>) is the set of rules and procedures that apply to ensure that these standards are upheld across the Irish public service. The code brings together in one place all of the elements of the value-for-money framework that were in force up to 2013.

One obligation of the Public Spending Code is for each Department to put in place an internal, independent, quality assurance procedure involving annual reporting on the level of compliance with the Public Spending Code. This new quality assurance procedure replaces and updates the “spot check” requirements previously laid down in Circular letter dated 15th May 2007.

The Public Spending Code is only of use if it is complied with by those that are responsible for expenditure at the appraisal, planning, implementation or post implementation stages. The primary objective of the quality assurance procedure is to assess the level of compliance with the code.

The PSC quality assurance process comprises of five steps which are outlined in Appendix 1. The objective of this report is to make an assessment of the level of compliance with the PSC and is structured as follows:

- Section 2: Programme inventory and expenditure analysis
- Section 3: Published summary of procurements over €10m
- Section 4: Assessment of compliance
- Section 5: In-depth spot checks
- Section 6: Conclusion

2. Programme Inventory and Expenditure Analysis

The Department of Foreign Affairs (the Department) annual expenditure in 2018 was €742 million. The Department operates two votes: Vote 28 Foreign Affairs and Vote 27 International Co-operation.

In 2018 the annual current expenditure was €732 m (98.7%) and the annual capital expenditure was €10 m (1.3%).

The work of the Department is divided into six programmes that are aligned with the Department’s Statement of Strategy and appropriation account. In 2018 all six programmes were ongoing and the vast majority of expenditure on each was current expenditure. Capital expenditure support costs - mainly for ICT, premises refurbishment/purchase and the passport service - are included in the overall programme costs.

The table set out in Appendix 2 presents the detail of the Department's programme inventory in accordance with the Public Spending Code quality assurance process. However, because of the size (€514.459 m) and the nature of the work on poverty and hunger reduction programme it is presented as 23 sub programmes.

3. Published Summary of Procurements

As part of the Quality Assurance process DFA will publish summary information on our website of all procurements in excess of €10m. There was no contract in excess of €10m awarded by the Department in 2018.

In keeping with the direction in the 'More Effective Financial Scrutiny' section of the Programme for Government, the Department of Foreign Affairs complies with the requirement to publish details for payments made for goods and services valued at €20,000 or more on its website. This information will be published quarterly in arrears.

The Department is committed to achieving value for money in the procurement system in compliance with EU Directive 24 of 2014 and the published Government National Procurement Rules. Part of the Quality Assurance process DFAT will publish summary information on our website of all procurements in excess of €10m. There was no contract in excess of €10m awarded by the Department in 2018.

4. Assessment of Compliance

The Third step in the quality assurance process involves completing a high level self-assessment of the level of compliance with the Public Spending Code. This is achieved by completing a series of relevant checklists.

There are seven checklists in total:

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

Checklist 2: Capital Projects or Capital Grant Schemes Being Considered

Checklist 3: Current Expenditure Being Considered

Checklist 4: Capital Expenditure Being Incurred

Checklist 5: Current Expenditure Being Incurred

Checklist 6: Capital Expenditure Completed

Checklist 7: Current Expenditure Completed

The Department has decided to undertake the assessment using checklists 1 and 5 because it operates six current expenditure programmes (except for small capital expenditure support costs). All the programmes are ongoing and are incurring expenditure.

The completed checklists set out below show the extent to which the Department believes it complies with the Public Spending Code. The checklist responses are based on the expenditure of both votes and show a good level of compliance with the code overall. However, it also recognises areas where the Department needs to improve compliance with the Code.

Checklist 1: – To be completed by all Departments

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
<p>Does the Department ensure, on an ongoing basis that appropriate people within the Department and in its agencies are aware of the requirements of the Public Spending Code?</p>	<p>4</p>	<p>The Finance Division, Strategy, Governance and Change Unit, Evaluation and Audit Unit and DCAD-Business Support Unit are aware of the requirements of the Public Spending Code.</p>
<p>Has training on the Public Spending Code been provided to relevant staff?</p>	<p>3</p>	<p>The Department has engaged with IGEES with regard to the Code and relevant staff have attended presentations. project management training is also provided to staff. However work is ongoing in this area.</p>
<p>Has the Public Spending Code been adapted for the type of project/programme that your Department is responsible for? i.e. have adapted guidelines been developed?</p>	<p>3</p>	<p>The management systems for programmes under Vote 27 includes Programme Cycle Management guidelines and procedures that are broadly in line with the PSC. Key high level metrics for outputs and public service activities have been developed for all programmes as part of the estimates process.</p>

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Has the Department in its role as Sanctioning Authority satisfied itself that agencies it funds comply with the Public Spending Code?	N/A	The Department does not have agencies under its aegis.
Have recommendations from previous Quality assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Department and to your agencies?	4	All recommendations have been disseminated to relevant parties
Have recommendations from previous Quality assurance exercises been acted upon?	4	
Has an annual Public Spending Code Quality assurance Report been submitted to the Department of Public Expenditure & Reform?	4	
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	4	
Has the Accounting Officer signed off on the information to be published to the website?	4	

Self-Assessed Ratings: **0** – Not Done, **1** - < 50% compliant, **2** – 50-75% Compliant, **3** – > 75% Compliant, **4** – 100% Compliant

Checklist 5: – For Current Expenditure

Incurring Current Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Are there clear objectives for all areas of current expenditure?	4	Yes objectives are set at programme level for all areas of current expenditure.

Incurring Current Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Are outputs well defined?	3	Outputs are relatively well defined at programme level. However, it should be noted that the Department makes substantial strategic and in some cases assessed contributions to international organisations (UN, EU, World Bank etc.) being core support for the entire organisation, and relating therefore to higher-level organisational outputs and outcomes. Key programme outputs are reported on as part of the estimates process.
Are outputs quantified on a regular basis?	3	Outputs are quantified as part of the estimates process and the business planning process. Management information systems continue to evolve to make improvements in this area overseen by the Knowledge management Taskforce
Is there a method for monitoring efficiency on an ongoing basis?	3	There are annual programmes of evaluations and mission reviews. Methodologies continually evolve in

Incurring Current Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
		order to strengthen measurement.
Are outcomes well defined?	3	The Statement of Strategy for 2017-2020 includes a list of outcomes for each high level goal.
Are outcomes quantified on a regular basis?	3	Yes, a rigorous results based management system is in place for programmes under Vote 27, and work is ongoing to strengthen measurement across other programmes.
Is there a method for monitoring effectiveness on an ongoing basis?	3	Yes a results based management systems is in place for programmes under Vote 27 and Key performance metrics for all programmes. Also there are annual programmes of evaluations and mission reviews, however work is ongoing to improve our methodologies.

Incurring Current Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Have formal VFM (Value for Money) evaluations or other evaluations been completed in the year under review?	4	Yes – (1) Internal Review of Palestine Strategy (2015-2018). (2) One World One Future: Ireland’s Policy for International Development (Rapid Overview of progress to date). (3) Initial Assessment of Staff Resourcing for Partner Management in Development Cooperation Division.
Are plans for new evaluations made in good time to ensure that they are completed in time to feed into the annual budget cycle?	4	Evaluation plans are in place.
Are unit costings compiled for performance monitoring?	2	Outputs are published for each programme as part of the estimates process but the management reporting systems need to be improved.

Self-Assessed Ratings: **0** – Not done, **1** - < 50% compliant, **2** – 50-75% Compliant, **3** – > 75% Compliant, **4** – 100%

5. In depth checks on Selected Programmes

5.1. Overview

The multi-annual internal audit and evaluation plan incorporated in depth Public Spending Code checks in its work. The mission review function of the Department’s Strategy Governance and Change Unit aims to enhance the contribution made by Missions in pursuit of

the Department's High Level Goals and to promote best practice in the management of resources. These reviews also contributed to the PSC spot checks. Overall this work gives good coverage across many of the DFA programmes as set out in the table below:

Table 1 In-depth checks coverage

Programme Name	Evaluation & Audit & Strategy & performance Work that incorporated public spending code checks	Expenditure subject to PSC checks & % of total programme Expenditure (as per table at Appendix 2)	
To serve our people at home and abroad and to promote reconciliation and co-operation	(a) Emigrant support Fund Audit (b) Audit of secretariat of North South Ministerial Council (NSMC)(south)	€12.962m	16.6%
To work for a fairer more just secure and sustainable world		€0	0%
To advance our prosperity by promoting our economic interests internationally	Mission Review in Bangkok, Hong Kong, Jakarta and Moscow	€3.2m	9.8%
To protect and advance Ireland's values and interests in Europe	Mission Reviews of the following embassies Bucharest, Geneva, Luxembourg and Brussels Reviews of OECD Paris and Partnership For Peace	€4.2m	15.8%
To strengthen our influence and our capacity to deliver our goals	Audit of the Department's interaction with the National Shared Services Office's Employee services	€8.4m	17.4%
Work on poverty and hunger reduction	(a) Mission Reviews of embassies in Addis Ababa and Kampala (b) Internal Review of Palestine Strategy (2015-2018) (c) One World One Future: Ireland's Policy for International Development (Rapid Overview of progress to date) (d) Initial Assessment of Staff Resourcing for Partner Management in	€24.2	4.7%

	Development Cooperation and Africa Division		
Total		€52.96	7.1%

5.2. Emigrant Support Programme

The Department is firmly committed to ensuring best practice monitoring of the financial expenditure associated with Emigrant Support Programme (ESP) grants. This complies with DPER Circular 13/2014 on Management of and Accountability for Grants from Exchequer Funds.

Irish Abroad Unit commissions a number of on-site, external audits each year to ensure ongoing quality control. The objective of the audits is to examine and report on funds granted to organisations under the Emigrant Support Programme to ensure that;

- they have been used in accordance with the conditions of funding agreements between the organisation and the Department, with due attention to efficiency and economy, and only for the purposes for which funding was provided;
- they have been properly accounted for and reported upon and that all necessary supporting documents, records and accounts have been kept in respect of each project; and
- An appropriate system of internal controls is in operation in the organisation. That value for money was achieved.

Under a commitment set out in the 2015 ‘Global Irish: Ireland’s Diaspora Policy’ 1% of the ESP budget is allocated to this annual programme of evaluation and audits.

Between 2014 and the end of 2018, 51 external audits have been conducted of organisations funded by the ESP: 31 in Britain, 8 in Ireland, 7 in the US ,4 in Australia and one in Canada.

In 2018, Irish Abroad Unit decided to increase the number of annual audits from 11 in 2017 and undertook audits of 19 organisations. 10 of these organisations are in the UK, 5 in the US and 4 in Australia.

At the time of audit, the 19 organisations had all been in receipt of a 2017-18 grant, of which: 3 were less than €50,000; 8 between €50,000 & €100,000; 6 between €100,000 & €200,000; and 2 of over €200,000

The auditors considered such areas as governance and management structures, board composition and rotation, value for money, that the grant had been used in accordance with ESP objectives, spent as per the agreed terms & conditions and accounted and reported properly. Organisations actively engaged with Irish Abroad Unit and relevant embassies on the findings and addressing recommendations.

5.3. Audit of the Department's interaction with the National Shared Services Office's Employee Services

This audit set out to assess the efficiency and effectiveness of the systems and procedures used in connection with the Department's interaction with the National Shared Services Office ("NSSO") with a view to providing advice where potential weaknesses in the system of controls and the management of risk are identified.

Overall, the audit concludes that the system of internal controls in place in connection with the Department's interaction with the NSSO is adequate.

Key findings identified during the course of the audit include:

- Neither the 2017 or 2018 ESMA has been agreed or signed.
- Meetings between the Department and NSSO not taking place at the frequency as set out in ESMA.
- Instances in the audit sample where the Department not complying with deadlines as set out by the NSSO, when raising cases to the NSSO.
- The lack of quality management information provided by NSSO in relation to overpayments.

A total of 18 recommendations are made to address issues identified in the course of the audit.

5.4. Ireland's Mission Network

In 2018 a total of ten missions were the subject of mission reviews. A broad range of recommendations were made, some were specific to the mission and others to HQ. The scope of the exercises included both strategic and operational elements and examined the contributions made to delivery of outcomes and outputs. The recommendations were considered by local management as well as the Secretary General and the Management Board. The implementation of these recommendations enhances the Department's ability to deliver outputs and outcomes and leads to improvements in management information for ongoing monitoring and evaluation.

5.5. Internal Review of Palestine Strategy (2015-2018)

The objective of this internal review of the Palestine Strategy 2015–2018 is to provide the various stakeholders; the Representative Office in Ramallah (ROR), DFA senior management, and relevant programme staff with an evidence-informed report on the Department's development cooperation support in Palestine during the Strategy period.

The internal review found that, while it did not and could not achieve its overall goal, the Strategy successfully brought DFA’s political and development objectives in Palestine together to guide activities and articulate a ‘whole-of-Department’ approach. Programming partners and interventions were largely relevant and effective—relevant in terms of their support to and alignment with Irish and Palestinian policies and strategies, and effective as the partners performed well under challenging circumstances and provided the ROR with important entry points and information.

Main Conclusions and Recommendations:

- While the Strategy included partners that were both relevant and effective, and was largely coherent at the outcome level, it lacked sufficient expression of assumptions, detailed actions, and indicators to guide programme implementation.
- HQ should clarify roles and responsibilities within the respective units that oversee the programme.
- Support to Palestine’s education sector is important and should continue.
- Humanitarian support is critical.
- Support should continue to HRD Scheme partners and partners working in Area C.
- Human resources issues relating to staff in the ROR and adequate support in HQ remain a challenge.
- The approach to grant management and the adoption of new standards is now required and will impact programme management. The Palestine Desk currently undertakes most of this work, though the ROR has immediate proximity to partners.

The recommendations have been accepted by management and have been implemented or are being addressed.

5.6. One World One Future: Ireland’s Policy for International Development (Rapid Overview of progress to date)

Following the Government’s announcement in October 2017 to embark on developing a new White Paper for International Development Cooperation, a rapid overview of One World, One Future: Ireland’s Policy for International Development (OWOF) was requested. The overview is intended to capture headline progress, lessons and issues for consideration regarding OWOF since its publication in 2013, to namely serve an input into the consultation process around the new White Paper for Development Cooperation.

The report focuses on the six areas of action set out in OWOF—Global Hunger, Fragile States, Climate Change & Development, Trade and Economic Growth, Essential Services, and Human Rights and Accountability—and discuss successes, challenges and lessons learned relating to OWOF commitments inasmuch as is evident.

5.7. Initial Assessment of Staff Resourcing for Partner Management in Development Cooperation Division

The assessment focuses on current staff resources and DCD HQ capacity to manage its programming partners. It examines in particular staffing in HQ spending units that manage grants and partners.

The key findings of the assessment focussed on the areas of staffing resources and balance of staff, staff skills and experience, training, staff pressure, DCD unit configuration, opportunity costs and risks. The review team made 12 proposals that were considered necessary to better manage DCD's current cohort of partners, and in context of an increasing ODA budget and a possible increase in the number of partners. Seven of the proposals focus on ways to improve the effective performance of the partner management function, while five of them deal with a number of wider HR issues which have a key bearing on staff resources involved in this task.

5.8. Recommendations for Future Public Spending Code Spot Checks

- Given the expansion of the global mission network, as proposed in the Department's strategy, which commenced in 2018, the draft audit, mission review and evaluation plans should take account of this expansion when planning future PSC compliance spot checks and reviews.
- PSC spot checks should take account of, and assess compliance against, any future developments of programme management standards.

6. Conclusion

This report sets out the DFA programme inventory and reports on procurements over €10m. The work of the Department is divided into six programmes that are aligned with the Department's Statement of Strategy and appropriation account. However, because of the size and the nature of the work on poverty and hunger reduction programme it is presented as 23 sub programmes.

The self-assessment checklist responses are based on the expenditure of both Votes and show a good level of compliance with the code overall and that Department is working to improve compliance in some areas.

The Public Spending Code spot checks highlight good programme management practices, as well as recognising opportunities to strengthen and improve appraisal, management, monitoring and evaluation of programmes.

Appendix 1 Quality Assurance Procedure

The Quality assurance procedure comprises of **5 steps** as outlined in the code:

#	Outline of activities
1	<p>Draw up inventories of projects/programmes at the different stages of the Project Life Cycle. Ensuring that a full picture on projects that are at the appraisal/planning stage i.e. have yet to incur expenditure is documented. The person responsible for the Quality Assurance process should be satisfied that they have a full and complete inventory.</p>
2	<p>The Organisation’s Finance Unit should publish summary information on its website of all procurements in excess of €10m, related to projects in progress or completed in the year under review. A new project may become a “project in progress” during the year under review if the procurement process is completed and a contract is signed. Departments should also publish details of the website references where its agencies have placed information on procurements over €10m.</p>
3	<p>Complete the checklists contained in the guidance document. Only one of each checklist per Department/Agency is required. Checklists are not required for each project/programme. The QA process is based on a sample.</p>
4	<p>Carry out a more in-depth check on a small number of selected projects/programmes</p>
5	<p>Complete a short summary report for the Department of Public Expenditure & Reform. The report, which will be generated as a matter of course through compliance with steps 1-4, involves minimum administrative burden and should be submitted by the end of February in respect of the previous calendar year.</p>

Appendix 2 DFA's Programme Inventory

Programme Inventory – Programme Category: Expenditure Being Incurred

Vote number	Programme/ Sub programme name	2018 €000
28	To serve our people at home and abroad and to promote reconciliation and co-operation	77,998
28	To work for a fairer more just secure and sustainable world	42,515
28	To advance our prosperity by promoting our economic interests internationally	32,657
28	To protect and advance Ireland's values and interests in Europe	26,556
28	To strengthen our influence and our capacity to deliver our goals	48,340
	Work on poverty and hunger reduction Sub programmes (listed below)	
27	Ethiopia Programme	31,329
27	Tanzania Programme	22,138
27	Uganda Programme	20,251
27	Sierra Leone & Liberia Programme	10,058
27	Kenya Programme	849
27	Malawi Programme	15,508
27	Nigeria Country Programme	70
27	Mozambique Programme	20,594
27	South Africa & Zimbabwe Programme	6,546
27	Vietnam Programme	10,604
27	Zambia Programme	3,600
27	Palestinian Admin. areas -West bank and Gaza	8,649
27	Public outreach	583
27	Civil Society Support	94,261
27	Emergency Humanitarian & Recovery Assistance	106,268
27	Essential Services	29,388
27	Inclusive Economic Growth & Resilience	13,257
27	Governance HR & Gender Equality	5,816
27	Africa Strategy/Trade	254
27	Fellowships	1,415
27	Policy Coherence & Research	2,919
27	Payments to International Funds	66,611
27	Voluntary Contributions to UN agencies	43,491
	Total	742,525