



Department of Foreign Affairs
Public Spending Code Quality Assurance Report
2021

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 black ink, appearing to read "J. M. Max". The signature is written over a horizontal line.

Date: 12/12/22

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

The PSC 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’ (DFA/the Department) annual expenditure in 2021 was €834,623 million. The Department operates two votes: Vote 28 Foreign Affairs and Vote 27 International Co-operation.

In 2021, the annual current expenditure was €794.827 (99%) and the annual capital expenditure was €7.788 (1%).

The work of the Department is divided into six programmes that are aligned with the Department’s Statement of Strategy and appropriation account. In 2021 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 PSC quality assurance process. However, because of the size (€568.273m) and the nature of the work on poverty and hunger reduction programme it is presented in further inventory detail.

3. Published Summary of Procurements

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, the Department 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 2021.

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 PSC. 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 PSC. 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 (Complete)

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
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?	3	Several Departmental Divisions and Units including Finance Division, Strategy, Governance and Change Unit, Evaluation and Audit Unit and DCAD-Business Support Unit promote the requirements of the PSC in the Department.
Has training on the Public Spending Code been provided to relevant staff?	3	Strategy development processes are periodically reviewed and project management training is also provided to project staff. However refresher PSC training will soon be required.
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?	3	The management systems for project/programmes includes Project/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.

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	Yes
Has an annual Public Spending Code Quality Assurance Report been submitted to the Department of Public Expenditure & Reform?	4	Yes
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	4	Yes
Has the Accounting Officer signed off on the information to be published to the website?	4	Yes

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.
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.

Incurring Current Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
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 order to strengthen measurement.
Are outcomes well defined?	3	The Statement of Strategy for 2021-2023 includes a list of outcomes for each high level goal.
Are outcomes quantified on a regular basis?	3	Yes, a results based management system is in place for projects/programmes 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 projects/programmes including key performance metrics. Also there are annual programmes of evaluations and mission reviews, however work is continually 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) Formative Evaluation of the Programme Grant II & Humanitarian Programme Plan Evaluation. (2) Review of the Management of the Department of Foreign Affairs’ Overseas Leased Property Portfolio 2016-2020.
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. Note, the Department has commenced a project to deliver a new optimal single end-to-end digital grant management and reporting system. The project is currently at the requirements analysis sign-off stage.

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 PSC 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 PSC 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 (“Our People”)	Emigrant Support Fund Audit	€13.62m	16%
To advance Ireland's interests, influence and values in our shared Europe (“Our Europe”)	Mission Review Athens Internal Audit of Embassy Sofia	€0.69m €0.48m	3%
To work for a fairer, more just, secure and sustainable world (“Our Values”)			
To advance Ireland's prosperity by extending our influence and promoting our interests internationally (“Our Prosperity”)	(a) Internal Audit of Embassy Freetown (b) Internal Audit of Embassy Monrovia	€0.74 m €0.62 m	4%
To strengthen our effectiveness and capacity to deliver on our goals (“Our Influence”)	Review of the Management of the Department of Foreign Affairs' Overseas Leased Property Portfolio 2016-2020	€131.5m ¹	100%
To work on poverty and hunger reduction	Malawi Country Strategy Strategic Evaluation 2016-2020.	€73.3m	13%
Total		€221m	26%

¹ The Spending Review 2021 reviewed the costs associated with renting official properties and the governance arrangements in place to manage the portfolio for the period 2016-2020 (valued at €131.5 million).

5.2. Emigrant Support Fund

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. 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 and that value for money was achieved.

In 2021, Irish Abroad Unit commissioned a number of audits to ensure ongoing quality control. An on-line format was necessitated due to the ongoing Covid-19 pandemic, although the on-site format is preferable and will largely return following the lifting of pandemic travel restrictions. Under the Diaspora Strategy 2020-25 Irish Abroad Unit are continuing their commitment (originally set out in the 2015 ‘Global Irish: Ireland’s Diaspora Policy’) of aiming for a 1% spend of the ESP budget on an annual programme of evaluation and audits, which would amount to €130,938 based on the 2021 ESP budget. In 2021, €80,857 was spent on audits and a further €3,570 was spent on a review of the 2018-19 & 2019-20 programmes, the results of which will feed into the Unit’s audit work in 2022.

Between 2014 and the end of 2021 programme, 82 external audits have been conducted on organisations funded by the ESP. In 2021, Irish Abroad Unit maintained the extended programme introduced in 2018 and continued the revised timeframe to run with the grant year (July to June). The Department undertook audits of 16 ESP organisations in the 2021 calendar year: 7 were in Britain, 5 in the United States of America, 2 in Ireland and 1 each in South Africa and Australia. At the time of audit 16 organisations had been in receipt of 2020-21 grants, of which: 7 were less than €50,000; 2 between €50,000 & €100,000; 3 between €100,000 & €200,000; and 4 of over €200,000.

The auditors considered such areas as governance and management structures, board composition & rotations, value for money, that the grant had been used in accordance with ESP objectives, spent as per the agreed terms and conditions and accounted and reported properly. All organisation have engaged on findings and are addressing recommendations.

5.3. Ireland’s Mission Network

Due to the public health restrictions during 2021, including in relation to non-essential travel, it was not possible to carry out the usual number of Mission Reviews and Audits. However, a Mission Review of the Irish Embassy in Athens and a number of Mission Audits of Irish Embassies were carried out remotely.

5.4. Review of the Management of the Department of Foreign Affairs' Overseas Leased Property Portfolio 2016-2020

The Spending Review 2021 reviewed the costs associated with renting official properties and the governance arrangements in place to manage the portfolio for the period 2016-2020 (valued at €131.5 million). The report was part of a series of spending review papers published on the Gov.ie website in July and October 2021 by a number of government departments. The review concluded that overall, the Department's management arrangements complied with DPER guidance, and costs were stable during the review period, with increases largely due to the expanding mission network. Nevertheless, the review identified key opportunities for enhancing systems and procedures.

5.5. Malawi Country Strategy Strategic Evaluation 2016-2020

The 2016-2020 Malawi Country Strategy Paper (CSP) set out Ireland's approach to its bilateral relationship with Malawi. Total programme expenditure was €73.3 million between 2016 and 2020, implemented through a mixture of grants to government, non-government organisations and Civil Society. Overall, the report concluded that the Embassy made important contributions across a range of areas in a challenging operating context. The evaluation considered that the nebulous fiduciary, institutional and regulatory environment in the country is likely, however, to remain challenging for development effectiveness, human rights, trade and investment.

5.6. Recommendations for Future Public Spending Code Spot Checks

The COVID-19 pandemic resulted in the entire Department, working remotely from mid-March 2020 and brought about fundamental changes in how the Department works. The COVID-19 pandemic continued throughout 2021 and while remote solutions were developed and evaluations continued, challenges and limitations remained, for example evaluations were not able to triangulate in best practice with fieldwork due to the restrictions on travel. In 2022, the ability to conduct fieldwork evaluations will largely return following the lifting of pandemic travel restrictions.

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 in further inventory detail in Appendix 2.

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 PSC 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	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.
2	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.
3	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.
4	Carry out a more in-depth check on a small number of selected projects/programmes
5	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.

Appendix 2 DFA's Programme Inventory

Programme Inventory – Programme Category: Expenditure Being Incurred

Vote number	Programme/ Sub programme name	2020 €000
28	To serve our people at home and abroad and to promote reconciliation and co-operation	86,562
28	To advance Ireland's interests, influence and values in our shared Europe	34,430
28	To work for a fairer, more just, secure and sustainable world	54,928
28	To advance Ireland's prosperity by extending our influence and promoting our interests internationally	39,099
28	To strengthen our effectiveness and capacity to deliver on our goals	51,331
	Work on poverty and hunger reduction <i>Sub programmes (listed below)</i>	
27	Ethiopia Country Programme	33,901
27	Kenya Country Programme	1,542
27	Liberia Country Programme	4,852
27	Malawi Country Programme	13,180
27	Mozambique Country Programme	27,286
27	Nigeria Country Programme	117
27	Palestinian Admin Areas - West bank and Gaza	15,136
27	South Africa Country Programme	3,088
27	Sierra Leone Country Programme	9,666
27	Tanzania Country Programme	23,115
27	Uganda Country Programme	18,290
27	Vietnam Country Programme	6,138
27	Zambia Country Programme	3,200
27	Zimbabwe Country Programme	5,833
27	Civil Society Support	93,289
27	Emergency Humanitarian and Recovery Assistance	109,437
27	Global Programmes, incl Dev Ed, Fellowships, ICMPs	18,630
27	Africa Strategy / Trade	792
27	Essential Services	53,242
27	Governance & Human Rights & Gender	1,812
27	Inclusive Economic Growth & resilience (Food)	6,967
27	Junior Professional Interns	124
27	Public Outreach	451
27	Policy Coherence & Research	5,188
27	Climate	12,364

27	Strategy Planning & Transparency	114
27	Support to UN Trust Fund, World Bank & Reg Dev Banks	6,139
27	Payments To International Funds	48,486
27	Voluntary Contributions To Un Agencies	45,894
	Total	834,623