

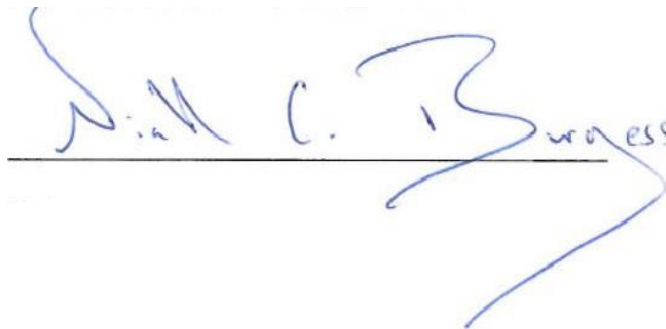


Department of Foreign Affairs
Public Spending Code Quality Assurance Report
2019

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 "Niall C. Burgess", is written over a horizontal line. The signature is stylized and cursive.

Date: 27 August 2021

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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 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 2019 was €809.988 million. The Department operates two votes: Vote 28 Foreign Affairs and Vote 27 International Co-operation.

In 2019 the annual current expenditure was €792.739m (97.9%) and the annual capital expenditure was €14.246m (2.1%).

The work of the Department is divided into six programmes that are aligned with the Department’s Statement of Strategy and appropriation account. In 2019 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 (€543.601m) 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 has published 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 2019.

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 2019.

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 (Complete)

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 promote the requirements of the Public Spending Code in the Department.</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. Strategy development processes are periodically reviewed and 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</p>

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
		have been developed for all programmes as part of the estimates process.
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.
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.

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 2017-2020 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 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) Evaluation of Embassy’s Approach to Resilience: Ethiopia Country Strategy Programme 2014 2018. (2) Report on Readiness Assessment of DFAT’s Property Management Unit.
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 to promote reconciliation and co-operation (“Our People”)	(a) Emigrant support Fund Audit (b) Audit of Governance Arrangements for the Provision of Visa Services through the Mission Network (conducted jointly with Department of Justice and Equality)	€12.972m	16.6%
Protect and advance our values and interests in Europe (“Our Place in Europe”)	Mission Reviews in Berne, Lisbon, Rome and Valletta	€3.144m	10%
To work for a more just, secure and sustainable world (“Our Values”)	Mission Reviews in Dar es Salaam, Maputo and Pretoria	€4.248	6.9%
Promote our economic interests internationally (“Our Prosperity”)	Mission Reviews in New Delhi, Riyadh, Mexico and Austin	€3.261m	7.8%
Strengthen our capacity to deliver our goals (“Our Influence”)	Readiness Assessment of the Property Management Unit	€13.862m	24.9%
Work on poverty and hunger reduction	Evaluation of Embassy’s Approach to Resilience: Ethiopia Country Strategy Programme 2014 2018	€34.309m	6.3%
Total		€71.796m	8.8%

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. That value for money was achieved.

Irish Abroad Unit commissions a number of on-site, external audits each year to ensure ongoing quality control (Note: while the Covid-19 pandemic necessitated the transfer of some of the 2019-20 Audit programme on-line, this only affected one audit in this programme). 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. This amounts to €126,000 based on the 2019 ESP budget. In 2019, €93,491 was spent on audits. As the Audit programme now extends over 2 calendar years, in line with the Grant timeframe, the monies are divided between two programmes: 2018-19 (€73,431) and 2019-20 (€20,060).

Between 2014 and the end of 2019-20 programme, 64 external audits have been conducted on organisations funded by the ESP. In 2019, Irish Abroad Unit maintained the extended Audit programme introduced in 2018 and continued the revised timeframe to run with the grant year (July to June). The Department undertook audits of 18 organisations between October 2019 and July of 2020 (the extended timeframe was due to a delay during the first Covid pandemic lockdown) and of the 18 organisations audited: 8 were in Britain (7 new and one continuation from 2018-19 programme), 8 in the US and two in Ireland. At the time of audit 16 of the 18 organisations been in receipt of a 2019-20 grant, of which: five were less than €50,000; four between €50,000 & €100,000; three between €100,000 & €200,000; and four 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 & conditions and accounted and reported properly. Of the 18 organisations audited, 16 actively engaged on the findings and addressing recommendations. Irish Abroad Unit continues to liaise with relevant Missions and the two outstanding organisations to complete the audit process. No funding was paid to these remaining organisations in either the 2019-20 or 2020-21 rounds.

5.3. Audit of Governance Arrangements for the Provision of Visa Services through the Mission Network (conducted jointly with Department of Justice and Equality) migrant Support Programme

The Audit of the Governance Arrangements for the Provision of Visa Services through the Mission Network, conducted jointly with the Department of Justice and Equality, highlighted the risks associated with the lack of clarity regarding governance and oversight of the provision of the visa service at mission level, in particular the missions hosting staff from Department of Justice and Equality. Thirty recommendations were made by the audit, including four rated “high” importance, the first of which was to put in place a clear agreement between the two Departments setting out roles and responsibilities. The implementation of the recommendations is being overseen by the inter-Departmental Visa Service Review Group, co-chaired by the DG Global Irish Services and her counterpart in Department of Justice and Equality.

5.4. Ireland’s Mission Network

In 2019 a total of eleven 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. Readiness Assessment of the Property Management Unit

The Department’s Property Management Unit (PMU) is responsible for the purchase, development, rental, management and safe maintenance of premises for Ireland’s diplomatic missions abroad and liaises with the Office of Public Works for the maintenance or changes to HQ premises in Ireland. The Property Management Unit operates within challenging and varied environments, with the annual cost of maintaining the DFAT property portfolio totalling €34m in 2018. The purpose of this review is to assess the PMU’s readiness to carry out these responsibilities, particularly in light of the commitments outlined in the policy document, Global Ireland 2025. This sets out the intention to open at least 26 new missions in strategic global locations and to invest in and maintain the existing mission network. This review was commissioned to undertake an organisational and capacity assessment examining the appropriateness of the PMU’s current governance, strategic planning framework and business

processes. It also examines the technical and professional capacity mix required to discharge its function, particularly in regards to the extensive and increasing statutory obligations and high economic value of DFAT's property portfolio.

Key recommendations identified by this review include: the completion of Health and Safety and risk assessment reports for all properties across the mission network; the creation of a PMU strategic plan based on high-quality data; the recruitment of technical experts to manage technically complex and high-risk tasks, for example: chartered property management surveyor; chartered building surveyor; chartered valuation surveyor and the establishment of a fit-for-purpose property steering group with appropriate decision making power supported by external expertise.

5.6. Evaluation of Embassy's Approach to Resilience: Ethiopia Country Strategy Programme 2014 - 2018

During 2019 the Unit completed the evaluation of Embassy Ethiopia's approach to Resilience (€34.309m, 2019 annual spend) which focused primarily on the development cooperation component of the Department's engagement. This report was presented to the Senior Management Group of DCAD.

It was clear to the evaluation team that there were many important broader achievements and contributions delivered during the Ethiopia Core Spending Programme. However, those could not be directly attributed to a deliberate application of the building resilience policy brief. The evaluation affirmed that the resilience approach had relevance to livelihoods and social protection in the Ethiopian context. Nevertheless, should the embassy continue to consider the use of this approach in the future, there would be a 'need to consider how to improve its strategy of reaching the poorest in the context of a resilience framework and how performance measurement might be systematically approached.'

5.7. 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 DFAT 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	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	2019 €000
28	To serve our people at home and abroad to promote reconciliation and co-operation	78,039
28	To protect and advance our values and interests in Europe	29,360
28	To work for a more just, secure and sustainable world	61,782
28	To promote our economic interests internationally	41,476
28	To strengthen our capacity to deliver our goals	55,727
	Work on poverty and hunger reduction Sub programmes (listed below)	
27	Ethiopia Country Programme	34,039
27	Kenya Country Programme	1,059
27	Sierra Leone & Liberia Country Programme	11,242
27	Malawi Country Programme	16,568
27	Mozambique Country Programme	25,658
27	Nigeria Country Programme	102
27	Palestinian Admin Areas - West bank and Gaza	13,475
27	South Africa Country & regional Programme	7,067
27	Tanzania Country Programme	20,064
27	Uganda Country Programme	14,333
27	Vietnam Country programme	10,557
27	Zambia Country Programme	4,317
27	Civil Society support	96,370
27	Emergency Humanitarian and Recovery Assistance	109,077
27	Africa Strategy / Trade	823
27	Essential services	35,223
27	Fellowships	2,239
27	Governance & Human Rights & gender	3,707
27	Inclusive Economic growth & resilience	19,783
27	Public Outreach	443
27	Policy Coherence & Research	4,593
27	Payments to International Funds	67,538
27	Voluntary Contributions to UN agencies	45,324
	Total	809,985