



Department of Foreign Affairs
Public Spending Code Quality Assurance Report
2020

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



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 2020 was €802.615 million. The Department operates two votes: Vote 28 Foreign Affairs and Vote 27 International Co-operation.

In 2020, the annual current expenditure was €791.868m (99%) and the annual capital expenditure was €10.747 (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 2020 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 (€547.719m) 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 2020.

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
<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>3</p>	<p>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.</p>
<p>Has training on the Public Spending Code been provided to relevant staff?</p>	<p>3</p>	<p>Strategy development processes are periodically reviewed and project management training is also provided to project staff.</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 projects/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.</p>
<p>Has the Department in its role as Sanctioning Authority satisfied itself that agencies it funds comply with the Public Spending Code?</p>	<p>N/A</p>	<p>The Department does not have agencies under its aegis.</p>

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
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 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 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 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 DFA'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 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 to promote reconciliation and co-operation (“Our People”)	Emigrant Support Fund Audit	€13.1m	16%
Protect and advance our values and interests in Europe (“Our Place in Europe”)	Internal Audit of Embassy Bucharest	€0.50m	2%
To work for a more just, secure and sustainable world (“Our Values”)	Strategic Mid-term Evaluation of the Facility for Refugees in Turkey	€4.53m ¹	8%
Promote our economic interests internationally (“Our Prosperity”)	Mission Review in Zambia	€0.25m	1%
Strengthen our capacity to deliver our goals (“Our Influence”)			
Work on poverty and hunger reduction	Mission Strategy for Vietnam and the Mekong Sub-Region 2017-2020	€39.1m	7%
Total		€57m	7%

¹ Ireland’s total contributions to the first tranche of the Facility amounted to €22.88 million over the 2016-2019 period. For the second tranche of the Facility, which runs from 2019 to 2023, Ireland will contribute with €15.44 million. In 2020, Ireland will disburse €4.53 million under the second tranche of the Facility.

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 ESP 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 usually commissions a number of on-site, external audits each year to ensure ongoing quality control. However, the Covid-19 pandemic necessitated the transfer of the balance of the 2019-20 programme and the entire 2020-21 programme on-line. Under the Diaspora Strategy 2020-25 we are continuing our 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 €125,950 based on the 2020 ESP budget. In 2020, €72,838 was spent on audits and while a reduction on the previous years, this can be attributed to the placing of the programme on hold during the initial lockdown and the cessation of on-site audits for the programme.

Between 2014 and the end of 2020 programme, 64 external audits had been conducted on organisations funded by the ESP. In both audit programmes covering 2020 (i.e. 2019-20 & 2020-21), Irish Abroad Unit remained committed to 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 13 organisations in the 2020 calendar year spread between the two programmes, a reduced number due to the initial lockdown. Of the 13 Organisations audited: 4 were in Britain, 8 in the US and 1 in Ireland. At the time of audit, 12 organisations had been in receipt of a 2019-20 grant, of which: 4 were less than €50,000; 2 between €50,000 & €100,000; 3 between €100,000 & €200,000; and 3 of over €200,000.

The auditors considered such areas as governance and management structures, board composition and 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. Of the 13 organisations audited in 2020, 12 actively engaged on the findings and addressing recommendations. Irish Abroad Unit continues to liaise with the relevant Mission and organisation to complete the audit process for the outstanding organisation.

5.3. Ireland's Mission Network

Due to the public health restrictions during 2020, 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 Zambia and Audit of Embassy Bucharest were carried out remotely during 2020. In addition, in April 2020, the Department carried out a special review of the British Irish Council Secretariat which was a bespoke process that the Department conducted on behalf of all the member administrations in the Secretariat. That review was conducted remotely.

5.4. The strategic mid-term evaluation of the EU Facility for Refugees in Turkey (FRIT)

The strategic mid-term evaluation of the EU Facility Turkey (FRIT) is a programme that focuses on humanitarian assistance, migration management/protection, education, health services and socio-economic support for the circa 4 million refugees in Turkey with the majority from Syria. With an overall EU and member states contribution of €6 billion, Ireland's total contributions to the first tranche of the Facility amounted to €22.88 million over the 2016-2019 period. For the second tranche of the Facility, which runs from 2019 to 2023, Ireland will contribute with €15.44 million. In 2020, Ireland will disburse €4.53 million under the second tranche of the Facility.

5.5. Mission Strategy for Vietnam and the Mekong Sub-Region 2017-2020

The Evaluation and Audit Unit completed the Review of Ireland's Mission Strategy for Vietnam and the Mekong Sub-Region 2017-2020. The report was an independent, evidenced-based assessment of the Embassy of Ireland's Mission Strategy 2017–2020 under the criteria of effectiveness, coherence and lesson learning across their five outcome areas. The review was commissioned to inform the design of the new mission strategy (2022–2027), contribute to organisational learning and serve as a mechanism of accountability. Total programme expenditure was €39.1 million implemented through a mixture of grants to government, multilaterals, NGOs and Civil Society. The report concluded that the strategy provided a strong example for the Department of how an Embassy can largely, through strategic planning, innovating and piloting, integrate all aspects of the work of an Embassy.

5.6. Recommendations for Future Public Spending Code Spot Checks

The COVID-19 pandemic resulted in the entire Department, working remotely from mid-March 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 with field work due to the restrictions on travel. Following the lifting of most of the COVID-19 restrictions in early 2022, the ability to conduct evaluations with field work will no longer be limited due to 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 to promote reconciliation and co-operation	80,779
28	To protect and advance our values and interests in Europe	32,175
28	To work for a more just, secure and sustainable world	56,279
28	To promote our economic interests internationally	37,237
28	To strengthen our capacity to deliver our goals	48,426
	Work on poverty and hunger reduction (listed below)	
27	Ethiopia Country Programme	35,162
27	Kenya Country Programme	1,263
27	Sierra Leone & Liberia Country Programme	13,156
27	Malawi Country Programme	16,531
27	Mozambique Country Programme	26,378
27	Nigeria Country Programme	124
27	Palestinian Admin Areas - West bank and Gaza	10,436
27	South Africa Country & Regional Programme	8,720
27	Tanzania Country Programme	21,199
27	Uganda Country Programme	16,907
27	Vietnam Country programme	9,957
27	Zambia Country Programme	4,299
27	Civil Society support	96,071
27	Emergency Humanitarian and Recovery Assistance	114,231
27	Africa Strategy / Trade	828
27	Essential services	36,353
27	Fellowships	2,973
27	Governance & Human Rights & gender	1,744
27	Inclusive Economic growth & resilience	15,098
27	Public Outreach	265
27	Policy Coherence & Research	5,374
27	Payments to International Funds	62,387
27	Voluntary Contributions to UN agencies	48,263
	Total	802,615