



An Roinn Post, Fiontar agus Nuálaíochta  
Department of Jobs, Enterprise and Innovation

## **The Public Spending Code**

## **Quality Assurance Report for 2014**

**Date: 9 September 2016**

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## **Certification**

This 2014 Annual Quality Assurance report reflects the Department of Jobs, Enterprise & Innovation's assessment of compliance with the Public Spending Code. It is based on the best financial, organisational and performance related information available across the various areas of responsibility.

Specifically, the Quality Assurance checks have been successfully carried out in the case of capital expenditure incurred by Enterprise Ireland, IDA Ireland, Science Foundation Ireland and the Higher Education Authority on projects supported during 2014.

***John Murphy***

***Accounting Officer,***

***Department of Jobs, Enterprise & Innovation***

***Date: 9 September 2016***

## JEI Capital Programmes

In recent years the Department of Jobs, Enterprise and Innovation's annual estimate has been in the region of €800m, split between capital (grant) supports and current expenditure. The current expenditure is used to meet the day-to-day running costs of the Department and its Agencies. The capital provision is provided through a range of grant funded programmes by the DJEI Agencies to assist in the development of Ireland's enterprise and innovation sectors.

The Exchequer provision via DJEI is driving the jobs agenda significantly aiding Ireland's economic recovery and ongoing development. At the end of 2015 the capital supports provided through the enterprise agencies were directly supporting over 400,000 jobs in Ireland, over 1 in 5 jobs. Allowing for the multiplier effect a similar number of jobs are being supported indirectly in sub-supply and services connected to the clients of Enterprise Ireland, IDA Ireland and the Local Enterprise Offices.

The key science, technology and innovation supports provided by Science Foundation Ireland, Enterprise Ireland and through the Programme for Research in Third-level Institutions are some of the principal enablers of our future jobs capability, foreign direct investment attractiveness and ensure that Ireland remains as a globally recognised research performer of high-standing.

The total capital expenditure incurred across the JEI Vote in 2014 was €443.5 million. This expenditure spanned Enterprise Ireland, IDA Ireland, Science Foundation Ireland, the Local Enterprise Offices, Tyndall National Institute, the National Standards Authority of Ireland, InterTrade Ireland, the Programme for Research in Third-Level Institutions (PRTLTI)\* and the Interreg programme.

For the purposes of the 2014 Quality Assurance (QA) Report the Department focused on 4 of largest capital programme areas, namely:

- Subhead A5 IDA Ireland
- Subhead A7 Enterprise Ireland (EI)
- Subhead B4 Science Foundation Ireland (SFI)
- Subhead B5 Programme for Research in Third-level Institutions (PRTLTI)

Typically the capital grants provided by EI, IDA Ireland and SFI are multi-annual in nature, often spanning a 3 to 5 year timeframe. The respective agency grants typically follow a competitive and rigorous review process at the outset of a programme call or an investment decision by the agency. When the awarded project is underway progress is also periodically reviewed by the relevant agency, sometimes with external expertise, such as utilisation of internationally recognised scientific experts in the case of SFI. There is often cross-agency strategic assessment input on certain enterprise grant programmes.

*\*The Higher Education Authority, an agency of the Department of Education & Skills, administers the PRTLTI on behalf of the Minister for JEI since May 2010*

## Enterprise Agencies - Developments in 2014

The enterprise agencies have played a leading role in our jobs recovery process over the past 4 years. At the end of 2014, the period relevant to this report, the enterprise agencies were directly supporting over 385,000 jobs through Enterprise Ireland (180,000), IDA Ireland (175,000) and the Local Enterprise Offices (31,000). Allowing for the multiplier effect of a similar number of indirect jobs, effectively two in five jobs in the economy (c. 750,000+) are benefiting in some way from enterprise supports via capital funded grant programmes.

During 2014 nearly 20,000 net new jobs were created by EI (8,500), IDA (7,100) and the LEO (4,000) supported companies, which was an excellent achievement.

The enterprise agencies client companies were also instrumental to an excellent exports performance which saw a 10% increase in 2014, with EI supported companies alone achieving an all-time exports high of €18.6billion (up from €13.9 billion in 2010). The strong and sustained growth in exports and in inward investment is further evidence of the return which prudent capital investment in our productive capacity through targeted enterprise supports can generate. IDA Ireland is now directly supporting over 175,000 jobs across its client base, the highest number in the agency's history.

Much of the above success is underpinned by investment in Science, Technology and Innovation (STI) which is an essential component of supporting an innovative and enterprising economy. STI investment allows Irish enterprise create and maintain high-value jobs and attracts, develops and nurtures business, scientists and talented people. In leading OECD economies investment in innovation – including spending on research and development, software, databases and skills – is the main driver of economic growth. Ireland is no different. In fact, it is clear that the investments we make through Science Foundation Ireland and the PRTL in research activity, infrastructure and capacity building in our higher education institutions is one of the key determining factors in IDA's winning of investment projects.

## 2014 expenditure and Quality Assurance Tests

In accordance with the requirements of the Public Spending Code, a Quality Assurance review of the appraisal of projects approved for grant aid by the following agencies has been carried out at the direction of the Department for:

- **Enterprise Ireland**
- **IDA Ireland**
- **Science Foundation Ireland**
- **Programme for Research in Third-Level Institutions**

**Table 1: 2014 Capital Expenditure** (includes deferred surrender amounts from 2013)

Subhead	Agency	Capital Expenditure
A5	IDA Ireland	€ 92.00 million
A7	Enterprise Ireland	€ 52.00 million
B4	Science Foundation Ireland	€153.54 million
B5	Programme for Research in Third-Level Institutions	€ 16.70 million

**Table 2: Sample Selection chosen for 2014 expenditure checks**

Agency	No of Projects checked	Total Project Awards
IDA Ireland	12	€ 25.21m
Enterprise Ireland	3	€ 51.75m
Science Foundation Ireland	6	€ 45.28m
Programme for Research in Third-Level Institutions	2	€78.58m
<b>TOTAL</b>	<b>23</b>	<b>€200.82 million</b>

- *The above projects are multi-annual awards except for the 2 x SFI TIDA awards. SFI Research Centres and the PRTLTI also include private funding contributions.*

It should be noted that the Quality Assurance reviews in respect of the agencies were carried out as follows:

- Enterprise Ireland - by their internal auditors Ernst & Young.
- IDA Ireland – by their internal auditors Deloitte.
- Science Foundation Ireland - by DJEI Finance Unit staff.
- Programme for Research in Third-Level Institutions – by Mazars on behalf of the Higher Education Authority, who administer the PRTLTI on behalf of the Minister for Jobs, Enterprise and Innovation.

For the 2014 report the Department incorporated the suggested recommendations of colleagues in the Central Expenditure Evaluations Unit, Department of Public Expenditure and Reform during 2015 so as to enhance the DJEI Quality Assurance report. We have included:

- Inventories of projects have been provided where possible (commercial sensitivity precludes the IDA Ireland from listing its specific details);
- Checklists have been completed by senior managers of the Agencies following guidance relating to appropriate grading scheme and comments;
- In-depth checks of the SFI processes which verified the extensiveness of the work done at appraisal, planning and implementation on certain SFI programmes.

In the latter part of 2014 the Department also increased staffing resources in the Finance Unit to oversee its Public Spending Code requirements. This work now involves an Accountant Grade 1 being assisted by an Assistant Principal and Higher Executive Officer – who undertake certain Public Spending Code work on a part-time basis in conjunction with other financial matters and responsibilities within Finance Unit.

The Department's review of SFI projects, the Deloitte review of IDA projects and the Ernst & Young review of EI projects all conclude that each of the agencies complied with the requirements of the Public Spending Code. Each of the checks identified some minor issues.

The Deloitte report identified the need for the IDA to update certain procedures and this has been addressed and implemented.

The Ernst and Young report flagged the need for Enterprise Ireland to nominate an appropriate member of staff as Public Spending Code Officer and this is in the process of being done.

From the detailed material made available for inspection to the Department, we concluded that SFI operates an effective oversight mechanism and fully complied with the public spending code. There was evidence to show that SFI moves quickly to address any issues that arise relevant to the award in question through regular scientific and financial oversight with the colleges.

In relation to the PRTL related checks, Mazars made a small number of recommendations for Cork IT and University College Dublin (the 2 lead institutions on the projects checked) to undertake some enhancements to administrative arrangements and publicity requirements. These recommendations have been accepted by the colleges concerned and will be implemented.

## **Public Spending Code - Requirement for Cost Benefit Analysis**

There is a requirement in the Public Spending Code for a Cost Benefit Analysis to be prepared in the case of projects approved for grant aid in excess of €20m and for a financial analysis to be prepared in the case of projects approved for grant aid below this threshold.

The Code, however, provides an exception for situations where significant costs or benefits associated with a project cannot be quantified or valued. Where this occurs the Code provides that a Cost Effectiveness Analysis may be relied upon instead of a Cost Benefit Analysis.

As mentioned earlier, the vast bulk of JEI capital supports (typically in the form of grants) differ from other public capital programme supports which typically deal with infrastructural investments such as roads, rail, schools, hospitals, environmental systems and so on. The Department has few individual projects of a scale above €20 million but quite a number of enterprise and innovation programmes where annual programme expenditure would be at, or exceed, that level such as:

- Enterprise Ireland Seed & Venture Capital Funds,
- Enterprise Ireland Innovation Fund
- Enterprise Ireland Development Capital Fund
- IDA R&D and Employment grant supports.
- Science Foundation Ireland Research Centres
- Science Foundation Ireland Investigators programme,
- The Programme for Research in Third-Level Institutions.

In the case of Research, Development & Innovation grant aid approved by the enterprise agencies, a Cost Benefit Analysis or financial analysis has not been prepared. Such is the nature of research activity it is not possible to estimate with any reasonable degree of accuracy the likely revenues and future costs that might arise from identified projects / research programmes when, and if, these result in marketable products or viable businesses in the future. Instead, a robust cost effectiveness analysis supplemented with, where appropriate, stringent scientific peer review at a world-class level, has been carried out by the agencies.

## Agency Programme Evaluations

It is important to appreciate that the enterprise agencies undertake regular assessment, ongoing reviews and formal evaluations of their Programme portfolio to ensure that programme offerings are:

- In line with Government policy;
- Meeting a national strategic need;
- Represent best use of resources available to the Agency;
- Effective and can be delivered to ensure best value for money for the Exchequer.

Forfás, formerly the national policy advisory board for enterprise, trade, science, technology and innovation in Ireland typically undertook multiple programme evaluations annually. In August 2014, Forfás was dissolved and the functions were integrated into the Department with the establishment of a new Strategic Policy Division. That Division continues to undertake regular programme evaluations. For example, in 2015 this included publication of a suite of 10 evaluations of Business Development Programmes provided by the Enterprise Agencies. These include evaluations of supports for investment in capital and employment, internationalisation, capability and management development and productivity and in total relate to approved expenditure of approximately €129m on an annual average basis. The Business Development Programme evaluations are the third strand of the programme of evaluations undertaken by DJEI since 2012 of approximately 50 supports provided by the enterprise agencies, following completion of the evaluations of supports for Start Up and Research, Development & Innovation.

In addition to the various programme evaluations referred to above the Department has also been an active participant in successive rounds of the “Value for Money Initiative” co-ordinated by the Department of Public Expenditure and Reform, and has completed a



number of formal VFM Reports under same. Under the 2015 – 17 VFM round the Department is committed to the following evaluations:

<b>Year</b>	<b>Evaluation</b>
2015 (Commence & Finish )	<b>Ireland's memberships of International Research Organisations (IROs)</b>
Commence in 2015 / Anticipated completion in 2016	<b>Review of Enterprise agency overseas trade and investment office network</b>
Commence in 2015 / Anticipated completion in 2016	<b>Evaluation of Enterprise Ireland Lean Transform Programme</b>
2017 (precise timeline to be confirmed)	<b>Evaluation of Seed &amp; Venture Capital Funding supports (operated via Enterprise Ireland)</b>

## **Public Spending Code: Inventory of Projects for 2014**

**Section A.04** of the Code requires that an organisation should publish, annually on its website, summary details of all procurements (capital and current) where the value exceeds €2m.

Enterprise Ireland publishes some data regarding grant aid on its website at [www.enterprise-ireland.com](http://www.enterprise-ireland.com). See Appendix 2, pages 18 to 21 of this report for the list of some of the EI grant recipients of relevance to this report.

Details of the SFI programme expenditure undertaken each year are published by Science Foundation Ireland in their annual reports. The SFI website also contains a list of the grant recipients for all of their major funding programmes at [www.sfi.ie](http://www.sfi.ie). Pages 22 and 23 of this report show the 2014 Capital payments made by SFI by programme.

IDA Ireland does not publish details of the recipients of grant aid in excess of €2m on its website due to commercial sensitivity.

The higher education institutions and the related PRTL funded projects are listed on the Higher Education Authority website at [www.hea.ie](http://www.hea.ie). Page 24 of this report outlines the HEA the 2014 PRTL capital payments made by the Higher Education Authority.

## **JEI and Agency completion of Checklists**

As IDA Ireland and Enterprise Ireland had completed their checklists prior to the new checklist format being confirmed, the attached checklists are in the format used in 2014. The DJEI, SFI and HEA checklists are in the new format. This is in compliance with instruction

received from the Department of Public Expenditure and Reform on 27<sup>th</sup> March 2015 in “PSC QA Process 2015”.

***“In the event that the 2015 QA process is already well advanced for some Departments, using the 2014 checklists is also acceptable.”***

Relevant checklists have been completed by DJEI and the agencies. These can be found in Appendix 4 below.

No significant non-compliance issues in relation to the Code have been identified in any of the completed Checklist forms. Copies of the completed checklists can be found from page 20 onwards below.

In recognition of the full scope of the Public Spending Code, the Department intends to extend the Quality Assurance checks to include other areas of capital and current expenditure programmes in future years. The extent to which the Department can do so will be dependent on available resource considerations and other work priorities in the future.

## **Public Spending Code training & JEI resources**

One of the general obligations listed in Checklist 1 refers to training on the Public Spending Code being provided to relevant staff. On 8<sup>th</sup> December 2014 a training course was run by the Department of Public Expenditure & Reform for members of this Department with a view to providing training in relation to novel aspects of the revised Code as published in November 2013. The Department of Public Expenditure & Reform has agreed to provide further training on technical aspects of the Code and this Department will continue to liaise on this training.

Members of the Finance Unit of DJEI attended further meetings with CEEU of DPER, including a Working Group meeting on 9<sup>th</sup> February 2015 with colleagues from other Government Departments.

During 2015 further staffing changes within the DJEI Finance Unit has somewhat constrained the capacity to expand Public Spending Code activity to the level previously envisaged. Nonetheless during 2016 the Department will strive to further improve arrangements with regard to publication of the 2015 Quality Assessment Report in a timely manner bearing in mind the various other financial reporting commitments required of the Department within the first half of 2016.

## Quality Assurance Checks 2014 - Main findings

Arising from the various Quality Assurance checks undertaken by the Department, Deloitte, Ernst and Young and Mazars on samples of 2014 capital expenditure incurred by Enterprise Ireland, IDA Ireland, Science Foundation Ireland and the Higher Education Authority, the Department is satisfied that key requirements of the Public Spending Code are being met. No issues of significant concern arose from any of the Quality Assurance Checks undertaken.

More specific findings in respect of the following at agency/programme level is outlined below:

### Enterprise Ireland

Enterprise Ireland is the government organisation responsible for the development and growth of Irish enterprises in world markets. Enterprise Ireland works in partnership with Irish enterprises to help them start, grow, innovate and win export sales on global markets. In this way, Enterprise Ireland supports sustainable economic growth, regional development and secure employment. A key EI priority is the achievement of export sales growth from Irish-owned companies and Enterprise Ireland assistance is geared toward helping Irish companies win international sales. In 2014 EI supported clients achieved record exports sales of €18.6 billion.

Enterprise Ireland supported companies created 19,705 new jobs in 2014, resulting in a net increase of 8,476 in the number of people employed within their client base – the highest employment gains achieved in the history of the agency.

Quality Assurance reviews of the appraisal of grant aided projects by Enterprise Ireland were carried out by Ernst & Young, internal auditors to Enterprise Ireland. These reviews were conducted in the spring of 2015. In accordance with the requirements of the Public Spending Code, only grant approvals in excess of €500,000 were included in the population from which the sample was selected for checking.

The recent Quality Assurance review by Ernst & Young involved checks on three projects approved in 2013/14 for grant aid totalling €51.75 million. No significant adverse findings were noted the Quality Assurance report for 2014.

The report states that Enterprise Ireland did not make any procurements in excess of €2 million during the period under review.

### IDA Ireland

IDA Ireland's main objective is to encourage investment into Ireland by foreign-owned companies as well as maintaining current levels of FDI jobs and investment in the country. IDA Ireland works as a strategic partner and provides consultancy and support services free of charge to help organisations set-up and grow.

The Quality Assurance review in respect of IDA Ireland was carried out by Deloitte, internal auditors to IDA Ireland. The 2014 review examined 12 projects approved for grant aid totalling €25.21m, two approved in 2011, four in 2012, and six in 2013.

No significant issues concerning compliance with the Public Spending Code were identified by Deloitte in the annual review.

As already referred to, IDA Ireland does not publish on its website details of all procurements where the value exceeds €2 million as required by the Public Spending Code, because details of the recipient of the grant aid, is commercially sensitive information.

The Deloitte review states that IDA Ireland uses an economic appraisal system prior to the approval of Capital and Employment grants to assess their suitability for grant aid. No such economic appraisal is carried out in respect of Research, Development and Innovation grants because it is not possible to estimate with any reasonable degree of accuracy the likely revenues and future costs that might arise from identified projects / programmes when, and if, these result in marketable products or viable businesses in the future. Instead, a robust cost effectiveness analysis is carried out.

## Science Foundation Ireland

Science Foundation Ireland (SFI) is Ireland's national foundation for investment in scientific and engineering research. SFI invests in academic researchers and research teams who are most likely to generate new knowledge, leading edge technologies and competitive enterprises in the fields of science, technology, engineering and maths (STEM). In 2013 SFI's legal remit was extended to include applied research in areas of importance to Ireland's economy to complement with its original mandate of funding oriented basic research.

The Quality Assurance review in respect of Science Foundation Ireland was carried out by 2 officers from DJEI Finance Unit. The Quality Assurance procedure examined the appraisal used by Science Foundation Ireland on 6 research project awards. (2 x Centres awards, 2 x Principal Investigator awards and 2 x smaller awards under the SFI Technology and Innovation Development Awards (TIDA) programme.

The SFI Research Centres and CSETs programmes typically span a 5 to 6 year period. The SFI Investigator programme awards typically span a 4 year period. The TIDA programme is a single-year funding award.

The 2 large-scale centres awards chosen were:

- The **Irish Centre for Research in Applied Geosciences (iCRAG)**, based in **UCD**, approved in 2013 for research grant of €24.9m over 5 years under the SFI Research Centres programme (this also involves co-funding by industry of 30%).
- **LERO**: The Irish Software Engineering Research Centre approved in 2010 under the SFI Centres for Science, Engineering & Technology (CSET) programme for research grant of €16.0m over 5 years (CSET programme also involves industry co-funding contribution of 30%). LERO involves multiple academic and industry partners and is led by the **University of Limerick**.

The two SFI Principal Investigators projects (awarded in 2011) were:

- “Green Transport & Communication Networks” ( at €2.3m ) (award made to **NUIM in 2011 - transferred to TCD & UCD 2014/15**) and
- “New Materials and Devices for Optical Applications via the use of Hybrid Technologies: Colloidal Crystallisation and Advanced Thin Film Deposition”, (€1.8m award) (**Tyndall Institute**).

The two SFI TIDA awards, both made in 2014, were:

- “Therapeutic and Commercial Viability of Medically Licensed Mesenchymal Stem Cells for Acute Respiratory Distress Syndrome” – award of €129,451 made to **NUIG** and
- “Next generation diagnostic tools for problematic dairy bacteriophages” award of €126,055 made to **UCC** respectively.

The Quality Assurance review found that Science Foundation Ireland carried out a rigorous scientific technical assessment of the proposed projects. For the Centres and Investigator awards each proposal was evaluated by an international Impact Assessment panel and separately an international scientific peer-review panel.

The Impact Assessment Panel comprised seven eminent internationally based scientists with proven track records. (note: SFI does not use Irish scientists to review grant applicants in case of any conflict of interest and for the purposes of objectivity). The Panel rated the projects highly and recommended funding.

Given the very nature of research, the relevant scientific panel identified certain risks associated with the Green Transport & Communication Networks project and recommended that funding be awarded with certain modifications to the project as highlighted by the Panel.

The TIDA programme is reviewed by way of scientific review and strategic assessment jointly by SFI and Enterprise Ireland, with the primary focus being on commercialisation potential.

As the significant benefits associated with the projects selected could not be quantified or valued in a financial context, it was therefore not possible for Science Foundation Ireland to prepare a formal Cost Benefit Analysis or a financial analysis. Instead Science Foundation Ireland carried out a detailed assessment of the costs associated with the proposed projects. Quality Assurance reviews in respect of 2014 concluded that Science Foundation Ireland complied with the requirements of the Public Spending Code.

## The Programme for Research in Third-Level Institutions

The Programme for Research in Third-Level Institutions (PRTLII) supports the provision of top-class research infrastructure (buildings, laboratories and cutting edge equipment) as well as human capital development through Structured PhD/Emergent Technology programmes across Ireland's higher education institutions. A key aim of the PRTLII is to develop critical mass in key research areas, thereby enhancing collaboration and coherence across Ireland's research system.

The PRTLII was launched in 1998 with cycles of expenditure commencing in 2000. Effectively the PRTLII is a "primer" and complements other significant research initiatives that subsequently can flow from funding sources such as Science Foundation Ireland, Enterprise Ireland, the Health Research Board and the Irish Research Council amongst others. Funding is a mixture of Exchequer and private funding. The programme is also EU co-funded under the European Regional Development Fund Regional Operational Programme 2007–13.

In May 2010 responsibility for the PRTLII transferred from the Department of Education and Science to the Department of Enterprise, Trade and Employment (now DJEI). PRTLII Cycle 5 was initiated in 2011. The programme is administered on behalf of the Minister for JEI by the Higher Education Authority.

Cycle 5 award funding of c. €347 million in total spans 33 distinct projects (through 18 Capital infrastructural projects and 15 Structured PhD/Emergent Technologies projects). It should be noted that approximately €60m of the Cycle 5 funding is private funding with the remainder being an Exchequer commitment. The projects span the following areas:

- Pharma/biopharmaceuticals
- Medical Technologies
- ICT
- Energy and environment
- Translational research biosciences/biomedical
- Social Sciences & Humanities
- Food and Drink
- Engineering, physics and chemistry.

Capital expenditure under the PRTLII is subject to regular audit, most regularly for European Regional Development Fund (ERDF) purposes. These ERDF audits have taken the form of regular Article 13 Transaction Tests under the relevant EU Regulations specific to the Operational Programme period concerned. PRTLII Cycle 5 being relevant to the 2007 – 13 Operational Programme. Such checks can also include occasional Systems Audits.

The PRTLII differs from other research grant refund programmes operated by JEI agencies in that there are no new awards made until a new Cycle of funding is initiated. Therefore for the purposes of this Quality Assurance report there is a distinct number of projects (18) in

receipt of PRTL I Capital funding under Cycle 5. The sample chosen by the Higher Education Authority (HEA) in conjunction with the Department was in line with the sampling methodology applied by the HEA vis-à-vis all funded projects based on the following criteria:

- High and Low value projects (i.e. a variety of projects that were subject to Simple Assessment, Single Assessment, MCA and CBA).
- In general, if a project has been previously audited it will not be audited in the current year unless issues were raised in the previous audit that warrants a subsequent audit in the next year.
- Large scale projects may be audited more than once during the lifespan of their projects/programmes.
- Projects on which issues have arisen.
- New Build / Refurbishment / Infrastructure,
- High Tech v Low Tech
- Geographical spread
- Alphabetical

The 2014 examination of PRTL I capital expenditure focused on 2 of the 18 PRTL I Cycle 5 capital infrastructural projects, one large and one smaller project. Mazars undertook the checks on behalf of the HEA and the two projects chosen were:

- **Science Centre, University College Dublin**
- **CREATE, Cork Institute of Technology**

The 2014 funding provision to these 2 projects represented 25.6% of the PRTL I Cycle 5 funding provided in year. (See Appendix 4).

#### **(i) Science Centre, University College Dublin**

The UCD Science Centre is a large-scale infrastructural investment project of over €175 million in total spanning several phases. The Centre spans over 38,000m<sup>2</sup> of new and refurbished accommodation. It is home to over 2,000 undergraduate students, more than 500 graduate students, and many more researchers across a range of scientific disciplines. Supported funding is a mixture of Exchequer, private and EU supports under the European Regional Development Fund.

The PRTL I Cycle 5 award to UCD Science Centre totals €75.28m. The exchequer provision is €59.9m with €15.3m in matching private funding. In 2014 the HEA payments under the PRTL I for this project totaled €4.14m. Mazars sampled €2.95m of this (71%).

#### **(ii) Centre for Research in Advanced Therapeutic Engineering (CREATE) at Cork Institute of Technology**

CREATE is a new stand-alone, two storey building, with a total area of 1,533m<sup>2</sup> on the Cork IT campus. The total PRTL I award funding to CREATE is €3.29 million. The 2014 payments made by the HEA to Cork IT for the project was just over €790,000 and Mazars sampled €404,000 of this (51%).

CREATE at Cork IT is to provide therapeutic solutions in the thematic areas of lifesciences, biomedical engineering and photonics that will meet the current and future needs of individuals in close collaboration with regional and national enterprises.

### **Conclusion**

Mazars did not identify any significant findings which should be brought to the immediate attention of University College Dublin (UCD), Cork Institute of Technology and the Higher Education Authority (HEA) management. Mazars did make recommendations for some suggested improvement in relation to publicity and updating of procedures which have been taken on board by the colleges.

The Quality Assurance reviews in respect of 2014 PRTL funding concluded therefore that the Higher Education Authority complied with the requirements of the Public Spending Code.

**ENDS.**



## APPENDIX 1 IDA Ireland 2014 QA Sample

### Population and Sample Selection (undertaken by Deloitte)

To determine the population for review, Deloitte sought details of all Grant Aid Approvals from 2012, 2013 and 2014. Deloitte was provided with a spreadsheet prepared by the Planning Department in IDA Ireland. Management indicated that this is the best source for IDA Grant Aid Approvals information.

The population is made up of the following grant types:

- Research, Development & Innovation (RD&I)
- Training
- Capital
- Employment
- Environmental

The sample for review was selected randomly in compliance with the most recent version of the Public Spending Code guidelines for a 5% spot check. The sample covered grant types from each of the years and each of the grant types. The breakdown is as follows:

<b>Grant Type</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Total</b>
RD&I	1	1	2	4
Training	-	-	1	1
Capital	-	1	2	3
Employment	1	1	1	3
Environmental	-	1	-	1
<b>Total</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>12</b>

## APPENDIX 2 Enterprise Ireland List of projects being supported (in excess of €500k)

### Expenditure being incurred

It is important to appreciate that the scale of Enterprise Ireland (EI) operations varies from very small grant supports (eg €5k for an Innovation Voucher to a multi-million, multi-annual award supporting enterprise development). As a consequence EI typically has several thousand “live” grant awards at a given time. Therefore it is not feasible to list each and every recipient of EI grant supports. Listed below are details of grant recipients with approval amounts in excess of €500k, on projects that incurred some expenditure in 2014.

As part of the QA (as detailed in Section A.04 of the Public Spending Code) the following tests were performed (by Ernst & Young):

**1. Drawing up Inventories of Capital funded projects (including grants) that are or were under consideration during the year. These should be broken down by their anticipated cost (between €0.5 - €5m, between €5m - €20m, greater than €20m).**

**(i) Expenditure being considered:** (It is not possible for Enterprise Ireland to document projects under consideration during 2014). Therefore Enterprise Ireland has detailed capital projects that were approved in 2014 (including grant schemes for capital purposes) in excess of €500,000:

Between €0.5m - €5m Client Name	Project No	Grant Type	Date First Approved	Amount Approved
DECAWAVE LTD	156270	Pref Shares Employ	21/03/14	€ 500,000.00
ESCHER GROUP (IRL) LTD	157450	R&D Revenue	06/11/14	€ 500,043.00
MONAGHAN MIDDLEBROOK MUSHROOMS	157004	R&D Revenue	04/04/14	€ 505,052.00
BRIAN NOONE LTD	157451	R&D Revenue	06/11/14	€ 524,649.00
ARYZTA BUSINESS SERVICES	156175	R&D Revenue	19/02/14	€ 587,626.00
INTELLIGENT INFORMATION SYSTEMS LTD	157452	R&D Revenue	06/11/14	€ 597,951.00
TECHNO-PATH MANUFACTURING LTD	156125	Pref Shares Employ	21/02/14	€ 600,000.00
CHANELLE PHARMACEUTICALS MANUFACTURING LTD	156454	R&D Revenue	14/05/14	€ 643,067.00
EIRGEN PHARMA LTD	156933	R&D Revenue	07/08/14	€ 649,975.00
INTERNET INTERACTION LTD	156653	R&D Revenue	05/06/14	€ 649,985.00
WILLIAM GRANT & SONS IRISH MANUFACTURING LTD	156597	Capital	23/05/14	€ 676,800.00
AURIVO CO-OP SOCIETY LTD	156697	Capital	20/06/14	€ 900,000.00
CHANELLE PHARMACEUTICALS MANUFACTURING LTD	156453	Capital	14/05/14	€ 903,146.00
ARRABAWN CO-OP	156611	Capital	06/06/14	€ 949,383.00

SOCIETY LTD				
FINEOS CORPORATION	156776	R&D Revenue	04/07/14	€ 1,000,000.00
GLANBIA FOODS IRELAND LTD	156610	Capital	06/06/14	€ 1,000,000.00
GREEN ISLE FOODS LTD	156458	Capital	22/05/14	€ 1,025,400.00
DEW VALLEY FOODS	156349	Capital	19/02/14	€ 1,105,000.00
O'BRIEN FINE FOODS	157323	Capital	24/10/14	€ 1,110,750.00
GRANT ENGINEERING (IRELAND)	156473	Capital	14/05/14	€ 1,195,500.00
KINARAVILLE LTD	156144	Capital	19/02/14	€ 1,296,000.00
GREEN ISLE FOODS LTD	156587	Pref Shares Capital	22/05/14	€ 1,350,000.00
KERRY INGREDIENTS (IRELAND) LTD	156582	Capital Environmental	11/06/14	€ 1,535,296.00
DAIRYGOLD CO-OP SOCIETY LTD	157150	Capital	17/09/14	€ 1,612,175.00
LAKELAND DAIRIES CO-OP SOCIETY LTD	156450	Capital	14/05/14	€ 1,656,851.00
KERRY GROUP SERVICES INTERNATIONAL LTD	157371	R&D Revenue	10/09/14	€ 1,688,356.00
KINARAVILLE LTD	156189	Pref Shares Capital	19/02/14	€ 1,704,000.00
C & D FOODS	156414	Capital	08/04/14	€ 1,750,000.00
KERRY GROUP SERVICES INTERNATIONAL LTD	157373	R&D Revenue	10/09/14	€ 1,784,378.00
DAIRYGOLD CO-OP SOCIETY LTD	157151	Capital	17/09/14	€ 1,806,724.00
GREEN ISLE FOODS LTD	156461	Capital	22/05/14	€ 1,958,100.00
MCHALE ENGINEERING	156338	Capital	08/04/14	€ 1,979,383.00
PFIZER NUTRITIONALS IRELAND LTD	156447	R&D Facility	14/05/14	€ 2,014,688.00
GLANBIA INGREDIENTS IRELAND LTD	156463	Capital	14/05/14	€ 2,100,120.00
MCHALE ENGINEERING	156339	Capital	08/04/14	€ 2,675,150.00
KERRY GROUP SERVICES INTERNATIONAL LTD	157369	R&D Revenue	10/09/14	€ 3,273,440.00
COMBILIFT	156345	Capital	08/04/14	€ 3,777,000.00
DAIRYMASTER	157267	Capital	15/10/14	€ 4,140,500.00
ICON CLINICAL RESEARCH LTD	157508	R&D Revenue	12/11/14	€ 4,858,467.00

<b>Between €5m - €20m Client Name</b>	<b>Project No</b>	<b>Grant Type</b>	<b>Date First Approved</b>	<b>Amount Approved</b>
KERRY INGREDIENTS (IRELAND) LTD	156583	Capital Environmental	11/06/14	€ 5,464,704.00
LAKELAND DAIRIES CO-OPERATIVE SOCIETY LTD	156446	Capital	14/05/14	€ 7,005,044.00

**Over €20m: NONE**

**Enterprise Ireland Capital projects** that incurred expenditure during the period under review in excess of €500,000.

<b>Client Name</b>	<b>Project No</b>	<b>Grant Type</b>
SOLVOTRIN THERAPEUTICS LTD	149027	Pref Shares
SURGACOLL TECHNOLOGIES LTD	151537	Ordinary Shares
MCCARREN MEATS LTD	155875	Pref Shares Capital
DECAWAVE LTD	156270	Pref Shares Employ
TECHNO-PATH MANUFACTURING LTD	156125	Pref Shares Employ
KILLALA PRECISION COMPONENTS LTD	154979	Pref Shares Capital
BANK OF IRELAND START-UP AND EMERGING SECTORS EQUITY FUND 2010	149409	Seed & Venture
AIB START UP ACCELERATOR FUND	150031	Seed & Venture
THE BANK OF IRELAND KERNEL CAPITAL GROWTH FUND (ROI)	154891	Seed & Venture
AIB SEED CAPITAL FUND 2	145607	Seed & Venture
BANK OF IRELAND SEED & EARLY STAGE EQUITY FUND 2009	145608	Seed & Venture
SOSVENTURES IRELAND FUND LIMITED PARTNERSHIP	155052	Seed & Venture
THE IRISH BIOSCIENCE VENTURE CAPITAL FUND	130342	Equity (Pre 2005)
BANK OF IRELAND KERNEL CAPITAL PARTNERS PRIVATE EQUITY FUND	130341	Equity (Pre 2005)
ATLANTIC BRIDGE II LTD PARTNERSHIP	148637	Seed & Venture
ARCH VENTURE FUND VIII LP	156350	Seed & Venture
THE FRONTLINE VENTURE FUND 1 LIMITED PARTNERSHIP	155049	Seed & Venture
AIB SEED CAPITAL FUND LIMITED PARTNERSHIP	139729	Seed & Venture
FOUNTAIN HEALTHCARE PARTNERS FUND II LP	156603	Seed & Venture
ATLANTIC BRIDGE III LP	156757	Seed & Venture
BANK OF IRELAND KERNEL CAPITAL PARTNERS PRIVATE EQUITY FUND II	139859	Seed & Venture
DELTA EQUITY FUND III LIMITED PARTNERSHIP	139875	Seed & Venture
THE SEROBA KERNEL LIFE SCIENCES FUND II LIMITED PARTNERSHIP	143448	Seed & Venture
SOFINNOVA VENTURE PARTNERS VIII LP	150719	Seed & Venture
HIGHLAND EUROPE TECHNOLOGY GROWTH LIMITED PARTNERSHIP	153621	Seed & Venture
LIGHTSTONE VENTURES LP	154635	Seed & Venture
THE ULSTER BANK DIAGEO VENTURE FUND LIMITED PARTNERSHIP	143255	Seed & Venture
FOUNTAIN HEALTHCARE PARTNERS FUND I LP	140696	Seed & Venture
CARLYLE CARDINAL IRELAND FUND LIMITED PARTNERSHIP	155154	Seed & Venture
MML GROWTH CAPITAL PARTNERS IRELAND (EUROPEAN) FUND 1 LIMITED PARTNERSHIP	155383	Seed & Venture
THE BDO DEVELOPMENT CAPITAL FUND	155775	Seed & Venture

**Note:** It is important to recognise that the EI Seed & Venture programme operates in conjunction with the private sector typically over a 10 year fund period. The EI / exchequer element forms only a portion of the overall fund in question. Typically the EI approval amounts under the Seed & Venture Capital programme can range from €2m to €25m over a multi-annual period up to 10 years.

<b>Client Name</b>	<b>Project No</b>	<b>Grant Type</b>	<b>Approval Amount</b>
BALLYBOFEY & STRANORLAR INTEGRATED COMMUNITY CO LTD	142319	Capital	€ 500,000.00
DROGHEDA ENTERPRISE CENTRE LTD	143655	Capital	€ 500,000.00
OPENJAW TECHNOLOGIES LTD	151417	R&D Revenue	€ 500,018.00
ACCESS CONTROL TECHNOLOGY LTD	153113	R&D Revenue	€ 500,145.00
GLANBIA CONSUMER FOODS LTD	141444	R&D Revenue	€ 510,200.00
REAGECON DIAGNOSTICS LTD	930053	R&D Revenue	€ 521,958.00
IRISH DISTILLERS LTD	152840	Capital	€ 545,000.00
CORK PLASTICS (MANUFACTURING)	152614	R&D Revenue	€ 596,463.00
EIRTECH AVIATION SERVICES LTD	930068	R&D Revenue	€ 676,943.00
ABBAY MACHINERY LTD	142639	R&D Facility	€ 706,424.00
DEW VALLEY FOODS	142255	R&D Facility	€ 838,950.00
ABTRAN	152673	R&D Revenue	€ 883,402.00
NUTRICIA INFANT NUTRITION LTD	152677	Capital	€ 940,710.00
NUTRICIA INFANT NUTRITION LTD	151324	Capital	€ 966,000.00
CREGANNA	155533	R&D Revenue	€ 1,190,595.00
KERRY GROUP SERVICES INTERNATIONAL LTD	154295	R&D Revenue	€ 1,488,250.00
DAWN MEATS IRELAND	152049	Capital	€ 1,767,950.00
INNOVATION FOR IRELAND'S ENERGY EFFICIENCY (I2E2)	150191	R&D Revenue	€ 1,788,000.00
IRISH CENTRE FOR MANUFACTURING RESEARCH LTD	148829	R&D Revenue	€ 1,794,300.00
DAWN MEATS IRELAND	143678	Capital	€ 2,599,000.00
LIFFEY MEATS (CAVAN)	143707	Capital	€ 2,632,000.00
DAIRYGOLD CO-OP SOCIETY LTD	156058	Capital	€ 2,712,500.00
HMH IP COMPANY	142321	R&D Revenue	€ 2,875,215.00
DONEGAL MEAT PROCESSORS	143716	Capital	€ 3,220,000.00
IRISH COUNTRY MEATS (SHEEPMET)	143682	Capital	€ 3,544,000.00
KEPAK ATHLEAGUE	143741	Capital	€ 3,995,000.00
HMH IP COMPANY	142323	R&D Revenue	€ 4,137,323.00
KEPAK LONGFORD	143675	Capital	€ 4,544,000.00
ANGLO BEEF PROCESSORS IRELAND	143703	Capital	€ 5,336,000.00
DAWN MEATS IRELAND	143690	Capital	€ 5,689,000.00
ANGLO BEEF PROCESSORS IRELAND	143674	Capital	€ 6,777,000.00
KERRY GROUP SERVICES INTERNATIONAL LTD	154067	R&D Revenue	€ 6,896,412.00
GLANBIA INGREDIENTS IRELAND LTD	154753	Capital	€ 6,900,000.00

## **Enterprise Ireland (continued)**

**Capital Projects that were completed : None**

**Capital Grant Schemes that were completed or were discontinued during the period under review in excess of €500,000: None**

## APPENDIX 3 Science Foundation Ireland 2014 Expenditure by Programme

SFI - 2014 Payments by Programme	
	€000's
Investigators	46,631,840
Research Centres	44,926,089
Centres for Science Engineering & Technology (CSET)	25,006,589
Technological Innovation Development Award (TIDA )	7,127,428
Strategic Research Centres (SRC)	5,620,011
Starting Investigator Research Grant (SIRG)	5,042,623
Career Development Award	3,451,219
Research Frontiers Programme	3,015,893
SFI Discover Programme	2,047,520
President of Ireland Young Researcher Award (PIYRA)	1,202,891
STOKES - Professor & Lectureship Programme	963,041
Research Professorship Programme	957,539
Advance Award Programme	895,640
US Ireland R&D Partnership	878,147
European Research Council Development Award	805,869
Internship Programme	716,569
Centres	650,000
SFI-Pfizer Biotherapeutics Innovation Award Programme	645,044
Research Centres - Spokes Awards	620,075
European Research Council Support Programme	436,399
SFI / Irish Research Council - Postgraduate Scholarship Scheme	413,183

Translational Research Awards	316,470
Strategic Partnership Programme	250,839
Conference & Workshop	243,228
Maths Initiative	233,059
HRB/Wellcome Trust awards	196,330
EU Joint Programme Initiative	147,952
Engineering - Professorship & lectureship Programme	133,228
Industry Fellowship Awards	125,385
Charles Parsons Energy Research Awards	107,381
SFI/Irish Universities Association (IUA) Partnership	90,000
Joint Programming Initiatives	75,701
Walton programme	15,832
US-Ireland R&D Partnership Planning Grant	8,221
Research Infrastructure awards	1,384
Supplements	3,216
Short Term Travel Fellowship	12,219
International Strategic Cooperation Award	75,836
<b>Grand Total</b>	<b>153,904,579</b>

## APPENDIX 4 PRTL I - 2014 Capital expenditure by project

Programme for Research in Third-Level Institutions Cycle 5 - 2014 funding		
Institution	Project	Total Payments
Cork IT	CREATE	790,217.28
DCU	Nano-BioAnalytical Research Facility (NRF-TRH)	1,299,005.02
DIT	EHSI	202,886.90
NUIG	Advancing Medicine	2,594,307.56
NUIG	AHSSRB	1,973,566.49
NUIM	ICT Infrastructure	633,902.63
NUIM	IVI - Phase 2	176,458.96
TCD	BIOMED	3,312,908.71
TCD	ITN	220,145.23
UCC	BSI WEST	1,484,688.07
UCC	ERI@MERC	151,441.48
UCC	FOOD & HEALTH	317,517.51
UCC	ITN	39,031.30
UCC	TYFFANI	696,428.57
UCD	ITN	11,202.26
UCD	NANOREMEDIES	72,799.06
UCD	SCIENCE CENTRE	4,141,152.97
UL	NCAMR	1,106,281.96
		<b>19,223,941.98</b>



## APPENDIX 5 Checklists – DJEI & Agencies

### Checklist 1: Department of Jobs, Enterprise & Innovation

General Obligations not specific to individual projects/programmes	Self-Assessed Compliance Rating: 1 - 3	Discussion/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	
Has there been participation by relevant staff in external training on the Public Spending Code? (i.e. DPER)	3	
Has internal training on the Public Spending Code been provided to relevant staff?	3	
Has the Public Spending Code been adapted for the type of project/programme that your Department is responsible for? i.e. have adapted sectoral guidelines been developed?	n/a	
Has the Department in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	3	
Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Department and to your agencies?	3	
Have recommendations from previous Quality Assurance exercises been acted upon?	3	DJEI has worked with its agencies to implement recommendations made. We will continue to seek to improve the process in future years.
Has an annual Public Spending Code Quality Assurance Report been submitted to the Department of Public Expenditure & Reform?	3	
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	3	
Has the Accounting Officer signed off on the information to be published to the website?	3	

## Science Foundation Ireland

**Checklist 4:** - Complete if your organisation had capital projects/programmes that were incurring expenditure during the year under review.

<b>Incurring Capital Expenditure</b>	<b>Self-Assessed Compliance Rating: 1 - 3</b>	<b>Comment/Action Required</b>
Was a contract signed and was it in line with the approval in principle?	3	All awards made by SFI require a Letter of offer signed by the Research Body (RB) and Principal Investigator.
Did management boards/steering committees meet regularly as agreed?	3	All awards made are approved by the SFI Executive. In addition all awards with an annual commitment of over €250k are approved by the Grants Approval Committee a sub-committee of the main SFI Board. All awards with a commitment in excess of €8m are approved by the SFI Board.
Were Programme Co-ordinators appointed to co-ordinate implementation?	3	All programme Calls have SFI Scientific Programme Managers assigned to each Call until the Letters of Offer are signed by the Recipient Body (host research institution) and the award(s) go "Live"
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable senior level for the scale of the project?	3	All awards have a SFI Scientific Programme Managers assigned to each award)
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	3	Yes each year Annual Scientific Reports are submitted to SFI and twice yearly Financial reports are submitted to SFI.
Did the project keep within its financial budget and its time schedule?	3	SFI monitors each award on an individual basis and if projects are falling behind due to recruitment or other issues then the applicant can apply for a No Cost Extension to the award – (with no extra budget)
Did budgets have to be adjusted?	3	There can be some adjustments to the timing of the budgets and the movement of funds between categories but the budgets are never increased.
Were decisions on changes to budgets / time schedules made promptly?	3	Generally yes

<p>Did circumstances ever warrant questioning the viability of the project and the business case incl. CBA/CEA? (exceeding budget, lack of progress, changes in the environment, new evidence)</p>	<p>3</p>	<p>For large awards there is a mid-term review (attended by overseas expert reviewers) and if there were major concerns over the progress/success of the project a decision could be made to terminate the award. Bearing in mind that SFI programme awards are highly competitive (c. 15% - 20% applicant success rate ) particularly in the larger funding programmes, it is important to recognise the really high standards required by SFI. Research excellence is paramount and it is rare for major problems to arise on an award which would necessitate termination. Where progress has not been to the level required by SFI, on occasion/ reasonably frequently (depends on SFI programme), there will be an adjustment to the timeframe of the project concerned (i.e either via a no cost time extension) or a downward adjustment in the SFI financial support to the overall project if a particular research strand cannot proceed as initially envisaged.</p>
<p>If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination?</p>	<p>3</p>	<p>Yes see above through a Site review</p>
<p>If costs increased was approval received from the Sanctioning Authority?</p>	<p>3</p>	<p>If extra costs are to be assigned to a SFI award it is assessed and approved through the granting of a supplementary award with a separate approvals process. It needs to be appreciated that in the SFI research model context, the granting of supplementary funding is usually a consequence of success i.e. additional progress that has been made by the researchers whereby additional leveraging/value can be extracted for enterprise development. Supplementary SFI funding should not be construed as a "cost overruns" on the original research proposal.</p>
<p>Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?</p>	<p>3</p>	<p>There could be various reasons why an award could be terminated – lack of research progress, inability to recruit or retain the top-class researchers needed for the project to be completed successfully. As mentioned</p>

		<p>above it is rare for (though it has happened) a SFI supported project has been.</p> <p>Such is the highly competitive nature of the SFI funding model, it is more likely the case whereby if insufficient progress has been made on a particular award, that the relevant lead researcher on such a project may struggle to attract any further SFI funding.</p>
For significant projects were quarterly reports on progress submitted to the MAC and to the Minister?	3	n/a

## Enterprise Ireland - Checklist 1:

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?	4	Procedures and transactions confirm a good awareness of the requirements of the Public Spending Code
Has training on the Public Spending Code been provided to relevant staff?	4	There is clear policy in place with regards the different types of expenditure outlined in the Public Spending Code. This policy is systematic, widely understood and in line with the Public Spending Code.
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?	4	Yes. There is clear policy with regards expenditure in EI. From a procurement side, the Irish and European standards for fair competition and tendering are followed strictly. From a Capital expenditure side, there is a systematic and robust approval process in place.
Has the Department in its role as Sanctioning Authority satisfied itself that agencies that it funds comply with the Public Spending Code?	4	Grants are approved on the basis that the funds provided constitute good value for money. There is a thorough assessment for the allocation of funds during the approval process.
Have recommendations from previous Quality Assurance exercises (incl. old Spot-Checks) been disseminated, where appropriate, within the Department and to your agencies?	4	Yes. All previous Quality Assurance reports are discussed at quarterly board meetings and are circulated where appropriate.
Have recommendations from previous Quality Assurance exercises been acted upon?	n/a	
Has an annual Public Spending Code Quality Assurance Report been submitted to the Department of Public Expenditure & Reform?	4	Yes. The VFM report was sent to the DJEI who had advised that the report was required by the DPER.
Was the required sample subjected to a more in-depth Review i.e. as per Step 4 of the QA process	4	Yes. Step 4 of the QA process was completed as outlined in The Public Spending Code Standard Rules and Procedures.
Has the Accounting Officer signed off on the information to be published to the website?	4	Reviewed and Signed off by Secretary to the Board who is also Head of Planning, Policy & Corporate Governance.

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

## Enterprise Ireland Checklist 2

[Checklist 2: – to be completed in respect of capital projects or capital programme/grant scheme that is or was under consideration in the past year.]

Capital Expenditure being considered – Appraisal and Approval	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Was a Preliminary Appraisal undertaken for all projects > €5m	4	There were preliminary appraisals undertaken for all projects > €5m (as part of the sample selected) during the period under review
Was an appropriate appraisal method used in respect of each capital project or capital programme/grant scheme?	4	There is a detailed appraisal methodology in place. Key areas such as project objectives, projections, grantee company's background and financial statements, key risks and external environment factors are all considered as part of the appraisal process. The application is considered and appraised in front of an Investment Committee.
Was a CBA completed for all projects exceeding €20m?	n/a	There were no capital or current projects approved over €20m in the period reviewed
Were all Programmes with an annual value in excess of €30m and of 5 years or more duration subjected to an ex-ante evaluation?	n/a	There were no capital or current projects approved over €30m in the period reviewed
Was an Approval in Principle granted by the Sanctioning Authority for all projects before they entered the Planning and Design Phase?	4	Yes. An approval in principle was granted and recorded. Board minutes for the approval are also recorded from the Investment Committee meeting.
If a CBA was required was it submitted to the CEEU for their view?	n/a	There were no capital or current projects approved over €20m in the period reviewed and thus no CBA was required
Were the NDFA Consulted for projects costing more than €20m?	n/a	There were no capital or current projects approved over €20m in the period reviewed
Were all projects that went forward for tender in line with the Approval in Principle and if not was the detailed appraisal revisited and a fresh Approval in Principle granted?	n/a	No Capital projects went to tender during the period under review
Was approval granted to	n/a	No Capital projects went to tender during the period under review

proceed to tender?		
Were Procurement Rules complied with?	n/a	No Capital projects went to tender during the period under review
Were State Aid rules checked for all supports?	4	Yes. This is part of the due diligence procedures.
Were the tenders received in line with the Approval in Principle in terms of cost and what is expected to be delivered?	n/a	No Capital projects went to tender during the period under review
Were Performance Indicators specified for each project/programme which will allow for the evaluation of its efficiency and effectiveness?	3	Performance indicators for grant payments are generally quantitative. Once a grant claim is approved, there is a site visit to ensure the grant provided was used for its intended purpose. A grant report is submitted indicating the performance of the grant.
Have steps been put in place to gather the Performance Indicator data?	4	Yes. Once a grant claim is approved, there is a site visit to ensure the grant provided was used for its intended purpose. A grant report is submitted indicating the performance of the grant. A progress report section has been included.

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

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**Enterprise Ireland Checklist 3:** n/a in 2014

There was no new current expenditure or expansion of existing current expenditure under consideration during the period in review in excess of €500,000.

## Enterprise Ireland Checklist 4

[Checklist 4: – Complete if your organisation had capital projects/programmes that were incurring expenditure during the year under review.]

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	4	Yes. There was a signed contract in line with the approval in every item tested.
If a construction or ICT project was the contract for a fixed price?	n/a	n/a
Are suitable management structures in place, commensurate with the scale of projects?	4	Currently EI are meeting the administrative turnaround times in respect of grants.
Did management boards/steering committees meet regularly as agreed?	4	Yes. An Investment Committee meets to appraise grants and Seed and Venture Investments.
Were Programme Co-ordinators appointed to co-ordinate implementation?	4	Development advisors are appointed to grants approved. Seed and Venture investments are managed externally by fund managers.
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable level for the scale of the project?	n/a	n/a
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	4	Progress reports are received for Seed and Venture fund performance. Once a grant claim is approved, there is a site visit to ensure the grant provided was used for its intended purpose. A grant report is submitted indicating the performance of the grant.
Did the project keep within its financial budget and its time schedule?	n/a	Grants and Seed & Venture amounts are agreed definitely at the time of agreement.
Did budgets have to be adjusted?	n/a	Grants and Seed & Venture amounts are agreed definitely at the time of agreement. There are therefore no requirements for budgets to be adjusted.
Were decisions on changes to budgets or time schedules made promptly?	n/a	Grants and Seed & Venture amounts are agreed definitely at the time of agreement. There are therefore no requirements for budgets to be adjusted.



Did circumstances ever warrant questioning the viability of the project? (exceeding budget, lack of progress, changes in the external environment)	Y	Circumstances occur occasionally that we find that the project has not been carried out in accordance with the proposal/agreement. In these cases the grants are not paid or the portion of the grant claim is not paid. EI carry out re-inspections on employment grants to ensure that the employee grant aided is retained in employment by the grantee for the requisite period i.e. 3 to 5 years
If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination?	4	Technical assessments are carried out where appropriate e.g. R&D grants, as well as financial inspections. Where a project failed a Technical assessment the grant claim would not be paid. If a project is discontinued there would no further claims or payments made.
If costs increased was approval received from the Sanctioning Authority?	n/a	Grants and Seed & Venture amounts are agreed definitely at the time of agreement.
Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N	No projects were terminated during their period under review.
For projects > €20m were quarterly reports on progress submitted to the MAC or Management Board and to the Minister?	n/a	There were no capital or current projects approved over €20m in the period reviewed
Were prescribed annual tables on projects, completed or in progress and > €20m submitted to the Department of Public Expenditure & Reform?	n/a	There were no capital or current projects approved over €20m in the period reviewed

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

## Enterprise Ireland Checklist 6

*[Checklist 6: – to be completed if capital projects were completed during the year or if capital programmes/grant schemes matured or were discontinued.]*

Capital Expenditure Completed	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Were the required post-project reviews carried out?	n/a	The post project reviews for the sample selected have not yet been carried out. There were no capital Projects, Capital Grant Schemes and Current Expenditure Schemes or programmes that were completed or discontinued during the period under review in excess of €500,000. Reviews will be carried out post-completion of the various projects. Progress reports have been carried out and a full post-project review is due to take place post completion.
Was a post project review completed for all projects/programmes exceeding €20m?	n/a	There were no capital or current projects completed over €20m in the period reviewed
If sufficient time has not elapsed to allow a proper assessment of benefits has a post project review been scheduled for a future date?	4	The post project reviews have not yet been carried out but they are scheduled to happen. Progress reports have been carried out and a full post-project review is due to take place in the near future.
Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?	2	Post Investment Review (PIR) work is currently being undertaken in the Investment Services Division. This analysis is in its pilot stage and will hopefully be rolled out in the next year to improve future decision making and approvals
Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?	2	Analysis is in its pilot stage and will hopefully be rolled out in the next year to improve future decision making and approvals
Was project review carried out by staffing resources independent of project implementation?	4	Yes. Post Investment Review (PIR) work is currently being undertaken in the Investment Services Division while appraisals are carried out by the Investment Committee

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

## IDA Ireland

**Checklist 4:** – Complete if your organisation had capital projects/programmes that were incurring expenditure during the year under review.]

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	4	
If a construction or ICT project was the contract for a fixed price?	4	
Are suitable management structures in place, commensurate with the scale of projects?	4	
Did management boards/steering committees meet regularly as agreed?	4	
Were Programme Co-ordinators appointed to co-ordinate implementation?	4	
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable level for the scale of the project?	4	
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	4	
Did the project keep within its financial budget and its time schedule?	4	
Did budgets have to be adjusted?	n/a	
Were decisions on changes to budgets or time schedules made promptly?	4	
Did circumstances ever warrant questioning the viability of the project? (exceeding budget, lack of progress, changes in the external environment)	N	
If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination?	n/a	
If costs increased was approval received from the Sanctioning Authority?	4	
Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	N	
For projects > €20m were quarterly reports on progress submitted to the MAC or Management Board and to the Minister?	n/a	
Were prescribed annual tables on projects, completed or in progress and > €20m submitted to the Department of Public Expenditure & Reform?	n/a	

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

## Higher Education Authority (PRTLl)

**Checklist 4:** – Complete if your organisation had capital projects/programmes that were incurring expenditure during the year under review.

Incurring Capital Expenditure	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Was a contract signed and was it in line with the approval in principle?	4	Yes - No issues
If a construction or ICT project was the contract for a fixed price?	4	Yes - No issues
Are suitable management structures in place, commensurate with the scale of projects?	4	Yes - No issues
Did management boards/steering committees meet regularly as agreed?	4	Yes - No issues
Were Programme Co-ordinators appointed to co-ordinate implementation?	N/A	No issues - A small number of institutions deemed it not necessary to appoint Programme Co-ordinators
Were Project Managers, responsible for delivery, appointed and were the Project Managers at a suitable level for the scale of the project?	4	Yes - No issues
Were monitoring reports prepared regularly, showing implementation against plan, budget, timescales and quality?	4	Yes - No issues
Did the project keep within its financial budget and its time schedule?	4	Yes - No issues
Did budgets have to be adjusted?	No	No
Were decisions on changes to budgets or time schedules made promptly?	4	Yes - No issues
Did circumstances ever warrant questioning the viability of the project? (exceeding budget, lack of progress, changes in the external	No	No

environment)		
If circumstances did warrant questioning the viability of a project was the project subjected to adequate examination?	N/A	N/A – As above
If costs increased was approval received from the Sanctioning Authority?	4	Yes - No issues
Were any projects terminated because of deviations from the plan, the budget or because circumstances in the environment changed the need for the investment?	No	N/A
For projects > €20m were quarterly reports on progress submitted to the MAC or Management Board and to the Minister?	N/A	Each Institution has its own internal reporting mechanisms as well as the need to adhere to HEA PRTL 5 reporting requirement.
Were prescribed annual tables on projects, completed or in progress and > €20m submitted to the Department of Public Expenditure & Reform?	N/A	N/A

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

## Higher Education Authority (PRTLl)

**Checklist 6:** – to be completed if capital projects were completed during the year or if capital programmes/grant schemes matured or were discontinued.

Capital Expenditure Completed	Self-Assessed Compliance Rating: 0 – 4	Comment/Action Required
Were the required post-project reviews carried out?	N/A	Too early to expect post project reviews as only small number of projects are complete with the remaining projects yet to finish.
Was a post project review completed for all projects/programmes exceeding €20m?	N/A	As above. It is expected to receive post project reviews on all projects >€20m.
If sufficient time has not elapsed to allow a proper assessment of benefits has a post project review been scheduled for a future date?	N/A	As above. It is expected to receive post project reviews on all projects >€20m.
Were lessons learned from post-project reviews disseminated within the Sponsoring Agency and to the Sanctioning Authority?	N/A	
Were changes made to the Sponsoring Agencies practices in light of lessons learned from post-project reviews?	N/A	
Was project review carried out by staffing resources independent of project implementation?	N/A	

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

## Appendix 6 Grants/expenditure thresholds/approvals limits: Enterprise Ireland

It should be noted that Enterprise Ireland functions, certain funding thresholds and related requirements are underpinned by the Industrial Development (Enterprise Ireland) Act 1998 and the Science and Technology Act 1997.

1. The composition of the board of Enterprise Ireland is provided for in legislation.
2. All administrative decisions of Enterprise Ireland are made by either the Board of Enterprise Ireland, or by a committee to which powers have been delegated by the Board or, for approvals of smaller amounts, by managers exercising express delegated powers (which provide for such approvals to be counter-signed by a senior manager) (see Note 1 on p32 below).
3. All decisions by the Enterprise Ireland board are minuted formally. All delegated committees of the board operate within approved written Terms of reference, and all decisions are minuted. All management approvals are counter-signed by Department managers or above.
4. The Audit Committee has approved a 3 year audit plan which is implemented by the Internal Audit department. The IA department completes between 15 and 20 internal audits across the organisation annually, assisted by independent internal-auditors (at present from Ernst & Young).
5. The EI Board sign off on the internal statement of financial affairs annually.
6. The C&AG audits the annual accounts of Enterprise Ireland annually.
7. Enterprise Ireland produces an annual report which is laid before the Houses of the Oireachtas through the Minister for JEI, in line with its legislation and with public financial management guidelines and protocol.
8. Strong corporate governance practices and policies are in place and Enterprise Ireland has been awarded the SWIFT 3000 standard for Corporate Governance for the last 3 years.
9. EI Board and senior managers are generally aware of the statutory parameters within which their powers are exercised, and may seek advice from Enterprise Ireland's in-house solicitor if there are any queries or concerns in this regard.
10. Letters of offer for financial approvals or shareholders purchase agreements will not be issued by the relevant contracts unit (which is separate from the unit which sought approval for the proposal) until signed minutes are in place.
11. There is also a separation between approval and payment functions.
12. All payments (whether grant or equity) are subject to an inspection process and only eligible expenditure is used for determining either the payment of grants or the successful validation of equity investments.
13. Enterprise Ireland has practice of evaluating its major funding schemes either using internal or external evaluators, and a significant number of these have been published.

## **Note 1: Enterprise Ireland Committees & approvals**

### **(i) Investment Committee**

Total funding packages of up to €1.25 million, subject to previous accumulated funding approvals for one undertaking being €3.25 million within the previous 2 years.

### **(ii) R&D Committee is a sub-committee of the Investment Committee**

Funding is in the form of an R&D Grant. The maximum grant available is €650,000 at a maximum grant rate of 45% (50% for collaborative projects).

### **(iii) The Job Expansion Committee - a sub-committee of the Investment Committee**

Funding for the Job Expansion Programme is in the form of an employment grant. The maximum grant available under the Job Expansion Fund is €150,000.

### **(iv) The Capital Investment Initiative Committee is a sub-committee of the Investment Committee**

The minimum grant available is €20,000 subject to a maximum grant of €250,000.

### **(v) Industrial Research and Commercialisation Committee (IRCC)**

Range: Up to €1.25 million, subject to previous accumulated funding approvals for one undertaking being €3.25 million within the previous 2 years. The IRCC considers grant applications for all programmes which are supported under the Science and Technology Act 1987.

## **Line Management Approval Powers**

The Board delegates to the Chief Executive (who may in turn delegate to the following):

A Director, Divisional Manager or Department Manager (as appropriate) with line responsibility for the Company on the recommendation of the Development Advisor for the company, (or his/her line manager) **and** the approval being ratified by any one of the following:- the Section Manager, Client Services Unit or the Manager Grants Administration Department or in their absence – the Secretary, the Head of Corporate Services or a Director. There are various threshold approval amount limits set per senior grade (i.e. per post & responsibilities) held within Enterprise Ireland.

## **EI Board**

Any cases of funding recommendations higher than the thresholds permitted at Committee level must therefore be approved by the EI Board.

In general all cases where a proposed EI investment package exceeds €7.5 million (in cumulative funding) it must be recommended to Government by the EI Board. This is applicable to funding packages covering the areas of Employment Grants, Training Grants, R&D grants and Purchase of Shares. There are some exceptions where lower thresholds [€0.5m+ and €1.0m+] apply whereby grant approvals in relation to certain forms of Technology Acquisition Grants must be brought to the attention of Government.



## Appendix 7 Grants/expenditure thresholds/approvals limits : IDA Ireland

### Controls Environment

The IDA Board has taken steps to ensure an appropriate control environment is in place by:

- establishing formal procedures through various committee functions to monitor the activities and safeguard the assets of the organisation;
- clearly defining and documenting management responsibilities and powers;
- developing a strong culture of accountability across all levels of the organisation.

The Board has also established processes to identify and evaluate business risks. This is achieved in a number of ways including:

- working closely with Government and various agencies and institutions to ensure that there is a clear understanding of the IDA goals and support for the Agency's strategies to achieve those goals;
- carrying out regular reviews of strategic plans both short and long term and evaluating the risk to bringing those plans to fruition;
- setting annual and longer term targets for each area of our business followed by regular reporting on the results achieved;
- establishing and enforcing extensive standard procedures and provisions under which financial assistance may be made available to projects, including provisions requiring repayment if the project does not fulfil commitments made by the promoter;
- A Risk Management policy and a revised Risk register have been developed in line with Strategy 2020.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation and accountability. In particular it includes:

- a comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;
- regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performances;
- clearly defined capital investment control guidelines;
- formal project management disciplines.

The IDA has outsourced the Internal Audit function, which reports directly to the Audit, Finance & Risk Committee of the Board. This committee meets on at least a quarterly basis to

review reports prepared by Internal Audit and other departments. The Audit, Finance & Risk Committee in turn keeps the Board informed of the matters that it has considered.

The Internal Audit function operates in accordance with the principles set out in the Code of Practice on the Governance of State Bodies. A rolling three-year Internal Audit work plan is determined by the Audit, Finance & Risk Committee and revised annually where required. The current work plan takes account of areas of potential risk identified in a risk assessment exercise carried out by management and reviewed by the Audit, Finance & Risk Committee and the Board. The Internal Audit function provides the Committee with quarterly reports on assignments carried out. These reports highlight deficiencies or weaknesses, if any, in the system of internal financial control and the recommended corrective measures to be taken where necessary.

The Board conduct an annual review of the System of Internal Financial Controls (SIFC) including Corporate Risks. The monitoring and review of the effectiveness of the SIFC by the Board is informed by the work of the Internal Audit function, the Audit, Finance & Risk Committee, which oversees the work of the Internal Audit function, and the executive managers within IDA Ireland who have responsibility for the development and maintenance of the financial control framework.

#### **IDA Ireland Approval Limits**

- The IDA Ireland Board can approve grants up to €7.5m. Anything above that level requires Government approval.
- The Investment Committee of the Board (ICB) can approve grants from €500,000 up to €1.5m per project.
- The Management Investment Committee (MIC) can approve grants up to €500,000 per project.

## Appendix 8 Grants/expenditure thresholds/approvals limits-: Science Foundation Ireland

### Extract from SFI Procurement Policy

## 2 AUTHORISATION & TENDER THRESHOLD LEVELS

### 2.1 OVERVIEW

The purchase of supplies and services should be in accordance with the following Procurement guidelines;

Before entering into a commitment to purchase goods or services it is important to ensure that:

- The goods or services are necessary;
- The proposed cost represents good value;
- There are budget resources available against which the cost can be charged
- Competitive tendering procedures (State Guidelines and EU Regulations) are followed, where appropriate
- Thresholds for both the approval of expenditure and for Tender Procedures as set out in 2.2 and 2.3 are complied with.
- Appropriate audit trail supporting documentation is maintained for each procurement transaction.
- The transaction for the goods or services has not been split up into a number of transactions for the purposes of circumventing the tender threshold levels.

### 2.2 SFI COMMITMENT TO EXPENDITURE AUTHORISATION LEVELS

SFI Tiers	Authorisation Level
Tier 1	Executive Committee
Tier 2	Executive Directors
Tier 3	Departmental Managers

<b>Expenditure (Exclusive of VAT)</b>	<b>Authorisation Level</b>
up to €10,000	Tier 3
From €10,001 to €50,000	Tier 2
from €50,001 to €250,000	Tier 1
Greater than €250,000*	SFI Board
* An item that brings approvals, for a consultant or company, to an aggregate of €250,000 (exclusive of VAT) within the same calendar year requires Board approval.	

The relevant staff member seeking approval to commit the expenditure on Goods and Services should prepare a written request for approval as follows;

For expenditure up to €5,000 – a written request to the Tier 3 Member for approval by the relevant Tier member.

For expenditure above €5,000 – a Business Case should be prepared for approval by the relevant Tier 1 member setting out in detail the purpose of the expenditure, the scope, the deliverables, skills required and the estimated cost of the proposed goods or service.

### **2.3 SUPPLIES AND SERVICES – TENDER THRESHOLDS**

The following expenditure thresholds apply for tendering for goods and services in line with EU and National Procurement guidelines.

Different threshold levels apply to IT expenditure, which are set out in table (b) below, as required by the Office of the Government Chief Information Officer (OGCIO). This is a division of the Department of Public Expenditure and Reform which has responsibility for monitoring and approving ICT Spend for public sector bodies (formerly known as CMOD). The Process for engagement with the OGCIO and the Office of Government Procurement (OGP) in relation to the ICT expenditure approval process and related procurement of ICT goods and services is set out in Appendix 2 (of SFIs procurement policy document).

**(a) Expenditure (excluding IT)**

<b>EXPENDITURE (EXCLUSIVE OF VAT)</b>	<b>TENDER REQUIRED</b>
Up to €5,000	<b>Verbal</b> quotations from <b>one or more</b> competitive suppliers
From €5,000 - €24,999	<b>Written – 3 or more</b> based on specifications. Tender Evaluation, Criteria & Weighting may be applicable
From €25,000 - €206,999	<b>Written - eTenders</b> (Any exceptions to using eTenders must be approved by Tier 1 ) <b>or</b> Gov. Framework Agreements if in place
€207,000 or greater	<b>Written</b> - Official Journal of the European Union. <b>(OJEU)</b>

**(b) IT Expenditure only (in line with OGCIO approval procedures - see Appendix 2)**

<b>EXPENDITURE (EXCLUSIVE OF VAT)</b>	<b>TENDER REQUIRED</b>
Up to €5,000	<b>Verbal</b> quotations from <b>one or more</b> competitive suppliers
From €5,001 to €9,999	<b>Written – 3 or more</b> based on specifications. Tender Evaluation, Criteria & Weighting may be applicable
From €10,000 to €206,999	<b>Written - eTenders</b> or Gov. Framework Agreements if in place
€207,000 or greater	<b>Written</b> - Official Journal of the European Union. <b>(OJEU)</b>

ENDS-