



**An Roinn Caiteachais
Phoiblí agus Athchóirithe**
Department of Public
Expenditure and Reform

Public Spending Code

Value for Money Review and Focused Policy Assessment Guidelines

January 2018

Document Update Schedule

Date	Content Updated	Section
September 2019	Document reformatted	
January 2018	Document Published	

Contents

1	Introduction	6
1.1	Value for Money Review (VFMR) Initiative	6
1.1.1	Background to the VFMR Initiative	7
1.1.2	The Changing Context for Evaluation	8
1.1.3	What Organisations are required to undertake VFMRs and FPAs ?	8
1.1.4	Deciding between a VFMR and an FPA	8
1.1.5	Structure of the Guidance Document	8
1.1.6	Work in Progress	9
2	VFMR Admin and Process	10
2.1	Stages in a VFMR	10
2.1.1	Selection and Approval of Topics for Review	10
2.1.2	Avoidance of Case Making	11
2.1.3	Key Tasks/Steps in a VFMR	11
2.1.4	Steering Committees for VRMR	12
2.1.5	Membership of Steering Committees	13
2.1.6	Role of the Independent Chairperson	13
2.1.7	Reflecting the Views of Stakeholders Not Included on Steering Committee	14
2.1.8	Other Issues Relevant to the Steering Committee	14
2.1.9	Arrangements for Approval of Terms of Reference	15
2.1.10	Review Plan/Timeline and Risk Register	15
2.1.11	Key Milestones and Completion of Report	16
2.1.12	Balanced Score Card	17
2.1.13	Report Recommendations	18
3	Practical Considerations for Organisations Undertaking VFMRs	20
3.1	Practical Considerations	20
3.1.1	VFMR ToR and Scope of the Review	20
3.1.2	The Title of the VFMR	20
3.1.3	The Overall Objective of the VFMR	20
3.1.4	A Short Description of Context	20
3.1.5	The ToR for the VFMR	21
3.1.6	The Scope of the VFMR	21
3.1.7	The Review Plan	22
3.1.8	Methodology	22
3.1.9	Resources	22
3.1.10	Organisation	23
3.1.11	Summary Timetable and Milestones	23
3.1.12	Reporting Requirements	24

3.1.13	Management Structures and Responsibilities within Departments/Offices	24
3.1.14	Formal Responsibilities of Departments/Offices	24
4	Technical Guidance	26
4.1	What to Evaluate – Evaluation Framework and Evaluation Criteria	26
4.1.1	What is Evaluation	26
4.1.2	Difference between Audit and Evaluation	26
4.1.3	The Programme Logic Model	26
4.1.4	Evaluation Criteria	27
4.1.5	Rationale	28
4.1.6	Efficiency	30
4.1.7	Effectiveness	32
4.1.8	Impact	33
4.1.9	Continued Relevance	35
4.1.10	Where the Programme is at an early stage	37
4.1.11	Additional Public Policy Evaluation Criteria	37
4.1.12	Wider Management/Operational Issues	38
5	How to Evaluate – Data and Analysis	39
5.1	Data and Analysis	39
5.1.1	Data Information	39
5.1.2	Types and Sources of Quantitative and Qualitative Data	39
5.1.3	Making Data Requests	41
5.1.4	Literature Reviews	42
5.1.5	Surveys	43
5.1.6	Consultations with stakeholders	43
5.1.7	Conducting Interviews and Focus Groups	43
5.1.8	Coping with limited data	44
5.1.9	Analytical Techniques	45
5.1.10	Identifying and analysing objectives of programmes/areas being reviewed	47
5.1.11	Identification and use of benchmarks, comparators and good practice	47
5.1.12	Other Types of Evaluation	48
5.1.13	Periodic Critical Review (PCR)	48
5.1.14	Post-Project Reviews	49
5.1.15	Pilots	49
6	Focused Policy Assessment (FPA) Guidance	50
6.1	What is an FPA ?	50
6.1.1	Types of FPAs	50
6.1.2	When should an FPA be undertaken	51
6.1.3	Differences between FPAs and VFMRs	51
6.1.4	Approach	51

6.1.5	Timelines	51
6.1.6	Management and Governance	52
6.1.7	Steps in an FPA	52
6.1.8	Topic Selection	52
6.1.9	Planning	53
6.1.10	Quality Assurance	54
6.1.11	Fieldwork and Analysis	55
7	Appendix	58
7.1	VFMR Template Terms of Reference	58

1 Introduction

This document sets out detailed guidance on two of the evaluation methodologies used across the civil service; namely Value for Money Review (VFMRs) and Focused Policy Assessments (FPAs).

VFMRs are evaluations of major spending programmes and/or policy areas. They examine the value for money of programmes and/or policy areas in terms of their rationale, economy/efficiency, effectiveness, impact and continued relevance. Recommendations from reviews can lead to changes to programmes and/or policy areas with a view to improving value for money and enhancing the provision of services.

FPA is an evaluation methodology designed to answer specific issues related to policy configuration and/or delivery. A relatively new methodological approach, it is designed to complement the more established VFMRs but rather than focusing on the broad range of evaluation questions posed in VFMRs, FPAs cover one or two areas only.

This guidance document introduces the main elements involved in undertaking an FPA including the steps to be taken when choosing a topic and the various analytical approaches on offer to the review team.

1.1 Value for Money Review (VFMR) Initiative¹

The Government's VFMR Initiative is part of a framework introduced to secure improved value for money from public expenditure. The objectives of the VFMR Initiative are to analyse Exchequer spending in a systematic manner and to provide a basis on which more informed decisions can be made on priorities within and between programmes. It is one of a range of initiatives aimed at increasing the level of information available to improve decision making and to assist in the implementation of evidence informed policies.

The primary objective of this guidance document is to assist all those who may be involved in a VFMR and/or Focused Policy Assessment (FPA) both in practically undertaking the review and from a technical point of view, i.e., data and analytical methodologies. As such, the document is presented in two distinct parts.

1. Part one sets out the administrative arrangements involved in the process from start to finish and will be of use to all involved in an evaluation; and
2. Part two focusses on more technical guidance (including more detail on FPAs).

While the review team is the main target for the latter, all those involved in the review,

¹ VFMR Initiative relates to both VFMRs and FPA's

especially those reviewing drafts and sitting on Steering Committees, may also find this material useful. This guidance document updates and replaces the 2007 Value for Money and Policy Review Initiative Guidance Manual.

Please note that sectoral specific evaluation guidance is available. You may wish to consult your IGEES or evaluation unit to get a copy of available guidance.

1.1.1 Background to the VFMR Initiative

The main developments over the lifetime of the VFMR Initiative and its predecessor, the Expenditure Review Initiative, are summarised below.

Development of the VFMR Initiative	
Key Milestones	Description
Q1 1997	- Government approved arrangements for the Expenditure Review Initiative as proposed by the Minister for Finance.
Q3 1997	- Government approved the first round list of reviews to be completed by Departments/Offices.
Q2 2001 – Q2 2002	- Government approved revised arrangements for the next phase of the Expenditure Review Initiative, which included setting criteria for the selection of programmes for review and providing for all review reports to be published and laid before the Oireachtas. It also approved the schedule of review topics for 2002 – 2004.
Q4 2001	- The C&AG published Report No. 39 on its Value for Money examination of the Expenditure Review Initiative.
Q2 2003	- New arrangements for the external quality assessment of review reports were implemented.
Q4 2004	- The first Formal Report of the Expenditure Review Central Steering Committee to the Minister for Finance was published.
Q2 2006	- The VFMR Initiative was introduced to replace the narrower Expenditure Review Initiative and some 90 formal reviews were approved by Government for the 2006 – 2008 Round.
2008	- An OECD review of the VFMR process recommended improved independence of steering committees, an increase in evaluative capacity, improved tracking of implementation of recommendations and that VFMRs should feed into the budgetary process.
Q4 2008	- The Government agreed to a new round of VFMRs for 2009 – 2011 and to a revised structure for these reviews.
Q4 2012	- The Irish Government Economic and Evaluation Service (IGEES) was set up as an integrated cross-Government service to enhance the role of economics and value for money analysis in public policy making.
Q3 2012	- The Government agreed to (1) a new round of VFMRs for the period 2012 – 2014, (2) to incorporate appraisal guidelines as part of a new Public Spending Code and (3) the formal introduction of Focused Policy Assessments (FPAs) as a sharper and more narrowly focused evaluation technique.
Q3 2015	- The Government agreed to a new round of VFMRs (over 40 reviews) for the period 2015 – 2017 and that as part of the reformed multi-annual budgetary framework, Government Departments would be required to carry out VFMRs on a rolling basis over a three year cycle.
Q1 2018	- The IGEES Unit in the Department of Public Expenditure and Reform (DPER) published updated Value for Money guidelines following comprehensive consultation with evaluation units in all Departments.

1.1.2 The Changing Context for Evaluation

Many of the milestones set out above have been shaped by the particular economic, evaluation and reform context that existed previously and which has changed over the years. For example, previous VFMR Initiatives were shaped by a drive towards greater accountability to the Oireachtas and the taxpayer on what was being achieved for public expenditure. While the current VFMR Initiative is also concerned with these issues, a number of further considerations, aligned to recent budgetary reforms, have also come to the fore. These include:

- Medium term fiscal planning;
- The introduction of new Fiscal Rules;
- The establishment of the Irish Government Economic and Evaluation Service (IGEES);
- Medium-term expenditure framework;
- Performance budgeting; and
- Other economic advisory and legal frameworks

All organisations spending public money must take into consideration the range of existing and new constraints. These constraints mean that Departments and other public bodies have to make choices on the programmes/schemes to prioritise within their various policy areas. In order to support these choices in a structured way, the VFMR Initiative remains a helpful tool for decision making.

1.1.3 What Organisations are required to undertake VFMRs and FPAs ?

All spending Departments and larger Offices are required to participate in the VFMR Initiative. As part of its own remit and outside the scope of the VFMR initiative, the C&AG will also undertake VFMRs on certain areas of Government expenditure. In addition, the Local Government Audit Service (LGAS) will undertake value for money audits of local government bodies. Visit the [LGAS website](#) for further information on the work of the service.

1.1.4 Deciding between a VFMR and an FPA

As set out in the introduction, VFMRs are evaluations of major spending programmes and/or policy areas. As such, they will review areas where significant sums of public money are being spent. All strategic programmes of expenditure should be subject, in whole or in part, to regular rigorous evaluation. FPAs on the other hand are designed to answer specific issues related to policy configuration and/or delivery and as such represent more discrete exercises ordinarily covering a smaller, while still significant, level of spend.

1.1.5 Structure of the Guidance Document

This document has been designed for all those involved in undertaking evaluation, regardless of previous evaluation experience. The manual is intended to be a resource and reference for review teams to consult at appropriate points in their VFMRs. The document also sets out the responsibilities of Departments/Offices in relation to the VFMR Initiative

(see Section 3). Much of what will be important for managers of the process will be set out in part one with technical guidance for review teams set out in part two.

Structure of the Guidance Manual	
Part 1 – VFMR Admin and Process	
Section 2	Stages in a VFMR
Section 3	Practical Consideration for Organisations Undertaking VFMRs
Part 2 – Technical Guidance	
Section 4	Evaluation Framework and Evaluation Criteria
Section 5	Data and Analysis – How to Evaluate
Section 6	FPA Guidance
Section 7	Appendix

1.1.6 Work in Progress

The document is intended to be a living document which will be amended and updated over time. In this context, users of the manual are asked to contact the DPER IGEES Unit with suggestions that may be helpful to other users or to point out areas which they think further guidance would be of assistance/beneficial. Contact details: IGEES@per.gov.ie.

2 VFMR Admin and Process

2.1 Stages in a VFMR

This section provides an overview of the VFMR process from start to finish focusing on a number of key stages in the review process (see Section 6 for FPA guidance). These include:

1. Topic selection;
2. Key Tasks/ Steps in a VFMR;
3. Establishing Steering Committees;
4. Agreeing VFMR Terms of Reference (TOR); and
5. Formal steps to be taken on completion of VFMR.

Each of these steps is set out in detail below.

2.1.1 Selection and Approval of Topics for Review

In accordance with criteria agreed by Government all VFMRs should be targeted at areas of significant expenditure where there is the greatest potential for them to add value and influence policy developments. Criteria to consider when selecting expenditure areas for evaluation include:

- Materiality of spend;
- Is there a substantial level of risk;
- Is there a clear need to demonstrate accountability;
- Will the evaluation findings be available in time to inform a key decision in the expenditure/policy area;
- Will the evaluation address an important evidence gap;
- Can the evaluation make a significant contribution to the Department's High Level Goals;
- Is the necessary data available and have baselines been established.

Every three years, the Minister for Public Expenditure & Reform will ask each Department to make suggestions of possible topics for review. Before a topic is proposed, it is recommended that Departments conduct initial scoping exercises to determine if the relevant data is available to answer the key value for money questions. Where the data is not available, data collection measures should be put in place to allow for the area to be evaluated in future VFMR rounds. After reaching agreement with Departments the Minister for Public Expenditure & Reform will formulate a list of topics for review. This list will then be approved by Government and the next VFMR round will commence.

The agreed set of reviews can be amended but only in exceptional circumstances, such as a change in Government policy in the area in question, and then only where a suitable topic of at least equal significance is substituted for a review being dropped.

2.1.2 Avoidance of Case Making

VFMRs and FPAs should not be seen as case making exercises. They are evaluations which aim to determine if a programme, agency, strategy, etc. is working or not. As such, any analysis undertaken should be cognisant of this and should not be driven by prior ideas of how programmes should operate or change going forward. Evidence of case making can often be seen in options analyses which are limited. Those reviewing VFMRs and FPAs should be cognisant of this and highlight instances of case making to review teams as they occur.

2.1.3 Key Tasks/Steps in a VFMR²

Once topics have been selected and agreed, work will commence on individual evaluations. A basic outline of the steps involved in this are set out in the following table with more detail provided thereafter.

² See Section 6 for the key tasks and steps involved in completing an FPA.

Key Tasks / Steps for a VFMR	
Initial steps	<ul style="list-style-type: none"> - Establish a Steering Committee to oversee the review (guidance on the composition of this group is presented below) - Draft and obtain approval for the proposed review ToR (drafting of the ToR to be completed by the review team and agreed with the DPER Vote section, internally within the lead Department in line with the standard reporting structures to its Management Board, and then signed off by Steering Committee) - Set out review plan / timeline and a project risk register for the evaluation
Main analytical stage	<ul style="list-style-type: none"> - Carry out review in accordance with the approved ToR - Steering Committee to agree on reporting and/or meeting arrangements - It is suggested that meetings would take place as and when significant review milestones have been completed or are nearing completion, e.g. when significant sections/chapters are completed, etc. - Ordinarily, there should not be more than 5 meetings in total throughout the course of the VFMR
Within two weeks of the final Steering Committee meeting	<ul style="list-style-type: none"> - Once completed, the final report should be submitted by the Chairperson of the Steering Committee to the Secretary General and Minister of the relevant Department prior to publication (in line with the standard management reporting structures in place in the Department) - A copy of the report should also be circulated to the Minister for Public Expenditure and Reform
Before publication of the final report	<ul style="list-style-type: none"> - The relevant Minister should bring a Memorandum to Government - This Memo should outline the main findings and recommendations of the report, the proposed responses of the Department to address any issues arising and the proposed date of publication of the report
Within two weeks of the Memo being considered by Government	<ul style="list-style-type: none"> - The final report should be laid before the Houses of the Oireachtas, submitted to the appropriate Oireachtas Select Committee, and published on the website of the Department/Office as well as the IGEES website (http://igees.gov.ie/) - It is the responsibility of the Department/Office to ensure the implementation of the agreed recommendations contained in the VFMR report

2.1.4 Steering Committees for VRMR

Departments/Offices are required to set up individual Steering Committees for each of their VFMRs (oversight arrangements for FPAs are set out in Section 6). Steering Committees are chaired by an independent person appointed from a panel. The members of the Steering Committee have various responsibilities as set out in the following table.

Task	Responsibility
Drafting the ToR	Review team
Signing off on the ToR	Joint responsibility
Planning and conducting the review	Joint responsibility but led by review team
Agreeing methodology	Joint responsibility but led by review team
Undertaking analysis and writing the report	Review team
Advising the Management Board in the Department responsible for the policy area under review of progress and of any difficulties arising	Review team with input from other members of the Steering Committee

2.1.5 Membership of Steering Committees

When selecting Steering Committee members, the focus should be on identifying people who have knowledge, influence or skills that will enable the Committee to accomplish its task and guide the review to completion. Depending on the type of review and the availability of prospective members, the Steering Committee membership might be drawn from some of the following areas, in addition to the independent Chairperson. Ideally the Steering Committee will not extend beyond 5-6 participants.

- Review Team – the review team should always be on the Steering Committee and can often be led by an economist/evaluator (AO or AP) from the Department’s Irish Government Economic and Evaluation Service (IGEES) Unit and supported by an AP and/or a PO (IGEES or otherwise) who may or may not also sit on the Steering Committee (there is flexibility in approach for the review team);
- Other specialists within the Department/Office;
- Agencies/bodies charged with delivering the programme being reviewed; and
- The relevant Vote Section in DPER will be also represented on the Steering Committee.

Departments can include other officials on the Steering Committee in circumstances where it is deemed appropriate. Departments may wish to consider including independent experts within the steering group as a means of ensuring robust methodology and challenging of norms. This decision, and the overall membership of the Committee, should be agreed within the Department and also with the independent Chairperson prior to invitation being issued.

2.1.6 Role of the Independent Chairperson

The role of the independent Chairperson will be to facilitate the work of the Steering Committee. While the Chair will be expected to read drafts of the report as they are completed, she/he will not be expected to undertake analysis or to affect undue influence on the review team. The Chair should be cognisant of the various viewpoints of all those represented on the Steering Committee and allow for these to be equally expressed at Steering Committee meetings. In this respect the Chair will be a facilitator throughout the process.

For each VFMR, the Department with responsibility for the programme / policy area under review will choose the independent Chairperson. Contact details for those on the panel of independent Steering Committee Chairpersons are available from the DPER IGEES Unit, Department of Public Expenditure and Reform. Email: IGEES@per.gov.ie.

2.1.7 Reflecting the Views of Stakeholders Not Included on Steering Committee

External agencies are involved in the delivery of many Government programmes and as such it will be important to have the views of these organisations expressed and reflected in the VFMR. The same is true of programme beneficiaries and other relevant stakeholders. In the past, representatives of these stakeholders have been included on Steering Committees but this can lead to issues around the independence of the review which might consequently lead to a less rigorous approach being adopted to the evaluation questions. Additionally, there might be a concern of capture if agency/beneficiary representatives exercise too strong a role in the planning and conduct of the review.

In an effort to avoid such scenarios, an approach that can be taken is to provide opportunities for the relevant stakeholders to be kept up to date on the VFMR and to be afforded the opportunity to provide submissions to the Steering Committee which can then be reflected in the VFMR.

However, if agency and/or beneficiary representatives (or other stakeholders) are to be included as full Steering Committee members, there is a consequent responsibility upon the Committee, and particularly on the Chairperson, to ensure a rigorously independent perspective in relation to various roles in providing data and submitting views.

2.1.8 Other Issues Relevant to the Steering Committee

Given that the work of Steering Committee members is additional to their normal duties, care should be taken to minimise the demands upon their time. Some suggestions in this regard are outlined below:

- Reporting arrangements should be decided and agreed in advance (see review plan / timeline below);
- It may be useful for the review team to prepare an issues paper which can be used to brief the steering committee;
- Meetings should be scheduled in advance and should be focused. Rather than opening up general discussions, the aim should be to secure decisions on targeted, specific matters, etc. The Committee Chair has a key role in this respect;
- Relevant material and updates should be forwarded by e-mail prior to meetings and members should be kept informed of progress at regular intervals and of agreed milestones. This will allow Steering Committee members time to provide feedback on the report (the review team will take the lead here);
- Committee members could be enlisted to help solve problems as they arise and to use their influence when difficulties arise; and

- Difficulties that cannot be addressed by the Steering Committee should be submitted promptly to the Management Board or other higher level committee overseeing the review programme.

Under previous rounds of VFMRs, consultants were occasionally engaged to carry out reviews. For current and future rounds, Departments should make use of existing specialist resources to carry out and manage reviews, e.g., IGEES units. Reviews conducted internally (with the necessary steps being taken to ensure the reports' independence) will help to build evaluative capacity within Departments and raise and maintain high standards of quality. The engagement of external consultants will therefore only be acceptable in exceptional circumstances with the approval of the DPER Vote section.

2.1.9 Arrangements for Approval of Terms of Reference

The first key task of a Steering Committee is to draft the Terms of Reference (ToR) for the review. A template ToR can be found in the appendix. There are a number of steps involved in this process, including:

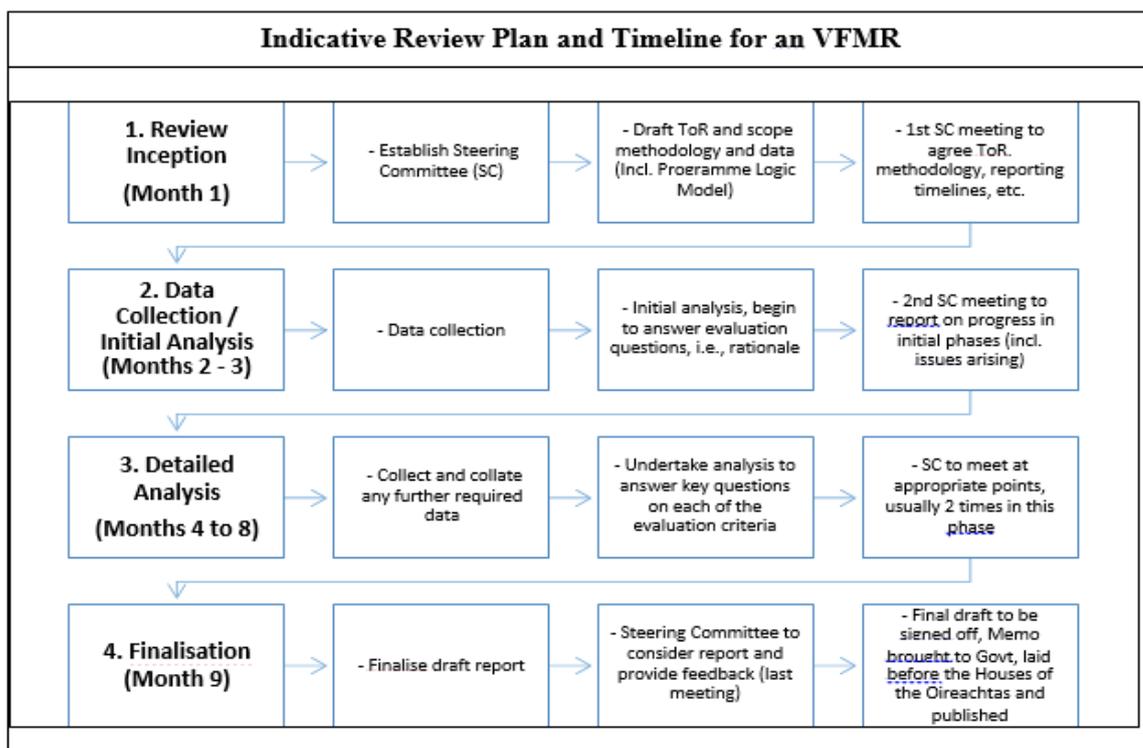
- The review team drafts ToR;
- The draft is then circulated to the Steering Committee ahead of the first meeting;
- The draft is discussed at first meeting (often in addition to methodological issues);
- The review team reflects feedback on the draft ToR and amends accordingly;
- The review team circulates the revised draft to the Steering Committee;
- Once agreement is reached within the Committee, the ToR for the VFMR is finalised (Note: In addition to sign off procedures within the Department responsible for the policy area under review, the ToR must also be signed off by the Assistant Secretary with responsibility for the relevant Vote Section in DPER); and
- Subject to additional comment/feedback, the VFMR proceeds according to the agreed ToR.

Where issues related to the ToR persist over a number of drafts, all persons on the Steering Committee should work collectively to reach agreement. The independent Chairperson will be central to this. If agreement cannot be reached for whatever reason, then the issue can be brought to the Management Board of the Department responsible for the policy area under review. The review team should then be in a position to conduct the review in accordance with an approved ToR.

2.1.10 Review Plan/Timeline and Risk Register

Having agreed the ToR for the evaluation, it may be timely to consider producing a review

plan and timeline. This is not only helpful for guiding the review team but may also be valuable when attempting to manage workloads, etc. An indicative review plan is set out below. A version reflective of an FPA is set out in Section 6.



There are a range of factors that can impact on the delivery of a report. Such factors can be readily identifiable and planned for while others may be less apparent from the outset. In the context of evaluations, and indeed other reports, it can be useful to set out a project risk register to provide an indication of the types of risk factors that could affect the delivery of a report.

Indicative Project Risk Register	
<i>Potential Risk Factors</i>	<i>Perceived Level of Risk to Evaluation</i>
Data Availability, Report Delay, Resources, etc.	<p>Low, Medium, High</p> <p>This will be followed by an explanation for why a given level of risk was chosen. For example, the level of risk associated with the report being delayed may be high because the review team will also be involved in other projects at the same time. Risk factors may be different depending on the review type, the Department or for a myriad of other factors.</p>

2.1.11 Key Milestones and Completion of Report

Over the course of the VFMR, there will be a number of key milestones which may be

appropriate times for the Steering Committee to meet. These include to agree the ToR, significant reporting milestones such as, for example, completion of efficiency and/or effectiveness chapters, and one final sign off meeting. In general, there should not be more than five meetings throughout the course of the VFMR.

Once the report is complete, as set out in an indicative timeline above, it should be submitted by the Steering Committee Chairperson to the Secretary General and Minister of the relevant Department for publication (through the standard management reporting structures within that Department). A copy of the report should also be circulated to the Minister for PER at this stage. Before publication of the final report the relevant Minister should bring a Memorandum to Government. This Memo should outline the main findings and recommendations of the report and the proposed responses to address any issues arising. The following steps should be taken once the report has been cleared for release.

- Lay the report before both Houses of the Oireachtas, ideally, along with the response of the Department/Office to the findings/recommendations. This process can now be completed online at <http://www.oireachtas.ie/parliament/about/libraryresearchservice/documentslaid/>.
- Copies of each review must also be forwarded to the relevant Dáil Select Committee. The Clerk of the Committee will be able to advise how many copies the Committee will need.
- The report (and the Department's/Office's response) should be published on the website of the Department/Office.
- A copy of the report should be sent to the relevant Vote Section as represented on the VFMR Steering Committee.
- An electronic copy should be forwarded to the DPER IGEES Unit for publication on the [IGEES website](#).
- In addition, completed VFMRs may also be submitted to the Internal Audit Unit, Audit Committee and Financial Management Committee of the Department/Office.

2.1.12 Balanced Score Card

In order to bring greater uniformity and standardisation to the evaluation process, each VFMR should include a 'Balanced Scorecard' which will be used to assess the programme against a range of criteria of use to decision makers. This standard approach will represent one key, recognisable output of the Reviews for all programmes, and will to some extent facilitate performance comparisons across programmes and across Departments. A draft approach to the Scorecard is set out in the following table.

'Balanced Scorecard': A New Standard for Programme Evaluation
<p>VFMRs are each conducted differently, the various Reports are presented differently from one another, and it is hard for policy-makers to form a common view of how particular programmes rate relative to other programmes. As part of the process, all Reviews will have to include a standard report – a 'balanced scorecard' – based upon a number of important criteria that are common to all evaluations. These criteria include:-</p> <p><i>Quality of Programme Design</i></p> <ul style="list-style-type: none"> ▪ Are the programme objectives clearly specified? ▪ Are the objectives consistent with stated Govt priorities? Is there a clear rationale for the policy approach being pursued? ▪ Are performance indicators in place from the outset, to allow for an assessment of programme success or failure in meeting its objectives? If not, can such success/failure indicators be constructed <i>ex post</i>? ▪ Have alternative approaches been considered and costed, through cost-benefit analysis or other appropriate methodology? <p>Are resources (financial, staffing) clearly specified?</p> <p><i>Implementation of Programme / Scheme</i></p> <ul style="list-style-type: none"> ▪ To what extent have programme objectives been met? In particular, what do the success/failure indicators show? ▪ Is the programme efficient in terms of maximising output for a given input and is it administered efficiently? ▪ Have the views of stakeholders been taken into account? <p><i>Cross-cutting aspects</i></p> <ul style="list-style-type: none"> ▪ Is there overlap / duplication with other programmes? ▪ What scope is there for an integrated cross-departmental approach? ▪ Are shared services / e-Govt channels being used to the fullest extent? ▪ Can services be delivered more cost-effectively by external service providers? <p>This approach allows for an overall, standardised quality score to be put in place, providing a programme rating that is of use to policy-makers and to those – including Oireachtas Committees and the general public – scrutinising the cost-effectiveness of spending. In other countries, more general programme ratings using the 'traffic light' system are found to be useful:</p> <ul style="list-style-type: none"> • HIGH Score (Green light) – the programme is well-specified, achieving its objectives, and cost-effective in general terms. • INTERMEDIATE Score (Amber light) – the programme scores highly in some areas, poorly in others: scheme re-design or efficiency improvements must be considered. • LOW Score (Red light) – poor evidence of delivery of objectives; scheme funding should be available for reallocation to other priority areas.

2.1.13 Report Recommendations

Given the depth of analysis usually undertaken within a VFMR, one of the key strengths of the process lies in the potential to make strong findings/recommendations on programmes

and/or policy areas. Recommendations should be SMART – Specific, Measurable, Attributable, Realistic, and Time bound.

It is recommended that Departments establish a regular formal follow up process monitoring the implementation of recommendations.

2.1.14 Recommendations on Performance Indicators

Given their importance in the context of VFMRs, the template ToR includes a requirement to recommend potential future performance indicators to monitor and evaluate the programme under review³. The recommended indicators should flow directly from the other analysis work done in the VFMR. The basic indicators that should be recommended are indicators of inputs, outputs, results and impacts. Some basic examples of indicators are detailed in the table below. More can be found in previous VFMRs on the VFM website.

Inputs	Outputs	Results and Impacts
Cost of inputs Number of staff Time spent by staff	Number of outputs Value of outputs	Measures of the direct effects on targeted beneficiaries (e.g., service user satisfaction rates) Measures of wider effects on sector or national priorities (e.g., contribution to national indicators like GDP, employment, competitiveness, poverty, etc.)

The intended use of the recommended indicators should guide the choice of indicators. Where it is desired to compare or benchmark performance across activities and/or programmes, a common unit of measurement such as unit cost is in general a useful metric. Many other evaluation indicators (of economy and efficiency) are produced from these unit cost indicators. For the monitoring of programmes, reference should always be made back to the Programme Logic Model.

2.1.15 Dissemination of Report Findings

When finalising a review report, Departments/Offices should give consideration in advance to the dissemination plan they wish to follow post completion. Successful implementation of recommendations may involve working closely with stakeholders. In some cases, this may be facilitated through launches, presentations, holding workshops with relevant stakeholders groups, establishing working groups etc.

³ Applies in situations where the VFMR recommends continuation of the programme.

3 Practical Considerations for Organisations Undertaking VFMRs

3.1 Practical Considerations

This section of the guidance sets out a variety of important considerations that organisations undertaking VFMRs may find useful. Much of the material will be of particular importance to the Department responsible for the programme / policy area under review. However, all those involved in the VFMR should also familiarise themselves with this content.

The main areas of focus include the VFMR ToR and review plan which are very important initial guiding documents. In addition, some of the management, reporting and support structures which can be useful in facilitating a VFMR are covered below.

3.1.1 VFMR ToR and Scope of the Review

Setting out the ToR and scope of the review are key initial steps and as such should be addressed in the first meeting(s) of the VFMR Steering Committee. This process can take some time, however, obtaining clarity on difficult matters at this point will mitigate potential difficulties later. It will also ensure that the organisation's management are aware, from the outset, of the proposed approach to the VFMR. Focusing first on the VFMR ToR, the content set out below should be included.

3.1.2 The Title of the VFMR

This should be chosen with care. Proposed VFMRs are listed in the relevant Government Decision. In many cases, the title will use the name of the subject organisation / programme or policy area but in other cases, where the VFMR covers an area of work, there will be a need to be more specific.

3.1.3 The Overall Objective of the VFMR

It is good practice to state the overall objective of the VFMR in one sentence. It should state what the VFMR is expected to achieve.

3.1.4 A Short Description of Context

This discussion should place the VFMR in the context of the Government's policy and programme priorities. This may address:

- The wider policy context of the subject, including the current stage of implementation, and any unique factors that may affect the VFMR. This may extend to a brief history and evolution of the programme;
- The reasons for the selection of the subject for review; and

- The preparation of a high level description of the Programme Logic Model – Inputs, activities, outputs and outcomes.

3.1.5 The ToR for the VFMR

The specification of the ToR for a VFMR is at the heart of the VFMR planning process. It is important that there should be a clear articulation of the ToR and a common understanding of what is covered within the ToR.

3.1.6 The Scope of the VFMR

Defining scope is a way of setting limits to a review and enabling it to be carried out within the constraints on resources, data and the timeline for completion of the review. The scope of the VFMR can be defined in a number of ways, for example, at the level of a programme or activity or at an organisational level, depending on the nature of the review. In addition, there may be other areas of scope that the review team consider relevant.

In developing the scope of the review, the following questions may be considered in terms of what is feasible.

- Is the scope too narrow or too broad having regard to the VFMR's overall objective(s), the likely resources, and timeline for completion?
- Should a large programme be divided into more manageable sub-programme components? Are the data to pursue all aspects of scope likely to be available?
- How feasible is the likely analysis implied by the scope?
- What implications do the scope decisions have for the structure and content of the final report and the time and resources that will be needed to complete it?
- Do the scope decisions help to clarify the evaluation questions?

In addition, the following issues should be addressed in defining the scope of the VFMR.

Issue	What it covers
Requirements	The extent to which the outputs of the VFMR are expected to satisfy requirements other than the Department VFMR requirements.
Deliverables	Deliverables include the outputs that are required in order to meet the objectives of the VFMR (i.e. the VFMR report), and any other outputs, such as management reports and documentation that the Steering Committee may agree on. For example, a separate report on the conduct of a survey might be required.
Constraints	It is important to list the specific constraints on the conduct of the VFMR. These may include a predefined budget, any imposed dates or restrictions of data sources & information.
Assumptions	List and describe the specific assumptions and the potential impact that these assumptions can have when they are amended / changed.

It is important to bear in mind that scope may necessarily need to have some flexibility to deal with any issues that emerge throughout the various stages in the VFMR. For example, data issues may limit how effectively the review team can answer certain questions. In instances where such issues arise, they should be brought to the attention of the Steering Committee. If the Steering Committee deems that they are not insurmountable, then solutions may be suggested in this forum. However, where such limitations are highly restrictive in terms of the level of analysis that can be completed within the VFMR, then a plan to deal with the issue(s) should be agreed by the Steering Committee. See Section 5 (coping with limited data) for more information on this.

3.1.7 The Review Plan

A written review plan should be undertaken early in the VFMR process and should detail the Steering Committee's decisions on the methodology, resources and organisation of the review. Each of these 19 aspects is addressed below. It should be noted that some of these decisions may need to be revisited by the Steering Committee as the VFMR progresses.

3.1.8 Methodology

The VFMR methodology describes how the assignment will be carried out, including the main methods to be used to collect, analyse, record and report information. While part two of this guidance document goes into more detail on this element, a number of issues need to be addressed for each ToR question. These are centered on the applicable analytical methodology and the data to be collected/used in the VFMR to answer the evaluation questions.

3.1.9 Resources

The review plan should clearly set out the resources to be used in undertaking the VFMR. These will relate to people, time and money. For people, with the establishment of the Irish Government Economic and Evaluation Service (IGEES), a specialised resource is now available in each Government Department to carry out, or assist and advise on VFMRs.

In terms of time, it is common to underestimate the time required for many planning and fieldwork tasks and indeed the time required to write the VFMR report. As such, the time estimate is particularly important when considering the issue of resources. VFMRs should ideally be completed within a 9 month timeframe. The scope of the VFM should be designed to fit that timeframe. Where the research need to address a key evaluation question will take longer, the timeframe should be adjusted accordingly.

Finally, where other costs, including travel, will be incurred throughout the course of the VFMR, these should be detailed in the resources section of the plan.

3.1.10 Organisation

The organisation of VFMRs covers a number of important areas. These are set out below.

Key Roles in a VFMR

- *Departmental Management Board / High Level Committee overseeing the VFMR process* – the Management Board in the Department is responsible for the evaluation programme and in the case of specific evaluations, for the area under review. It is the ultimate decision making authority and as such owns the responsibility for the success or failure of the VFMR. The Management Board is primarily focused on the VFMR Initiative as a whole as it pertains to the Department in question rather than on particular reviews.

- *Steering Committee* – each Steering Committee is the primary driver for the VFMR. It discharges key roles in the planning, conduct and reporting stages of a VFMR and reports on progress made and on any difficulties or blockages in the process. The Steering Committee should consider, discuss, and agree the VFMR ToR, the review plan, key correspondence, the report text and the conclusions and recommendations of a VFMR. The independent Chairperson discharges an important role in the VFMR. She/he drives the VFMR and acts as a key channel between the review team, stakeholders and other key parties.

- *Review Team* – the review team is responsible for undertaking the main analytical elements of the VFMR, including developing the ToR and the review plan in consultation with the Steering Committee and drafting the report. The review team keeps the Chairperson of the Steering Committee informed of progress in the VFMR and of issues that may require an amendment to the ToR or review plan so that timely decisions can be made.

- *Stakeholders* – stakeholders are any individual or group with a substantive interest in the VFMR. Their individual interest should be identified and actions should be planned to promote their positive support and engagement in the VFMR.

3.1.11 Summary Timetable and Milestones

A summary timetable for the review should be developed as part of the review plan. The Steering Committee should identify milestones with imposed dates for the submission of substantial interim deliverables for consideration. The timeframe should allocate persons to tasks and identify the time availability for the proper completion of the review. All VFMRs will have a number of key milestones:

- approval of ToR;
- the date of commencement of main analytical component;

- the date of completion of each chapter – rationale, economy/efficiency⁴, effectiveness, impact and continued relevance;
- the date of sending the draft final report to Management Board; and
- the date of final approval of the VFMR report.

This summary can be set out as per the review plan / timeline in the above section.

3.1.12 Reporting Requirements

The review plan should outline reporting requirements. These should identify:

- the planned meeting arrangements for the Steering Committee;
- allocation of tasks for the keeping of minutes and the distribution of correspondence or working papers;
- proposed submission date(s) for drafts and final copies; and
- proposed scheduled reporting dates to Management Board.

3.1.13 Management Structures and Responsibilities within Departments/Offices

This section focuses on the Department/Office whose programme / policy area is under review and the structures that can be harnessed to assist in completing a VFMR. There is no one structure for managing the VFMR process in Departments/Offices. Some Departments/Offices have established dedicated high level committees, usually chaired by an Assistant Secretary, to oversee the review process. A more common approach has been that of a review team, usually including an AO and AP, reporting, as they would normally, to management within their Department.

Importantly, whatever oversight structures are used within Departments/Offices need to ensure that the formal responsibilities placed on the Management Board under the VFMR Initiative, as detailed below, are fully complied with.

3.1.14 Formal Responsibilities of Departments/Offices

The VFMR Initiative places the following responsibilities upon Departments/Offices and their Management Boards:

- The Management Board is responsible for the selection of topics for each new round of VFMRs. The Management Board should decide on future VFMR topics as early as possible in anticipation of the next review cycle;
- It is a formal requirement that VFMRs are noted in Statements of Strategy and Business Plans and included as key priorities in the PMDS role profiles of the staff

⁴ Depending on the programme or area under review, economy and efficiency can be reviewed together or separately in VFMR reports. The review team have flexibility in this regard.

concerned. Where possible, full-time staff input should be planned for at crucial stages in the review process, for example, in report drafting;

- The Management Board should monitor the progress of reviews in each round and assist the review Steering Committee where difficulties are encountered;
- Departments/Offices should put systems in place to ensure that the response to VFMR report recommendations are tracked and reported regularly to their Management Boards; and
- Departments/Offices should strengthen the linkages between the VFMRs and the development of performance indicators (search 'evaluation proofing' in the Public Spending Code).

In fulfilling the above responsibilities, Departments/Offices will be in a stronger position to manage and guide VFMRs as they progress through the various stages.

4 Technical Guidance⁵

4.1 What to Evaluate – Evaluation Framework and Evaluation Criteria

This section of the guidance sets out the main theoretical foundations for VFMRs and FPAs. In a practical sense, this section will be of use to the review team in setting out (1) the Programme Logic Model (PLM) and (2) how the PLM is applied to the evaluation criteria.

4.1.1 What is Evaluation

Evaluation is the process of collecting and analysing information, and reaching conclusions on specific questions after a policy or programme has been implemented. It is an objective process of understanding how a policy or other intervention was implemented, what effects it had, for whom, how and why⁶. Evaluation, in the context of the VFMR Initiative, is comprised of VFMRs and FPAs and is used to support accountability and resource allocation. VFMRs and FPAs are typically delivered under the evaluation framework which is described below.

4.1.2 Difference between Audit and Evaluation

Audit is an independent examination carried out to reach an opinion on certain specified matters. In the public sector, there are two types of external audit – regularity audit and Value for Money examinations. Regularity audits collect evidence to support an audit opinion on the fairness of presentation of financial information, the underlying regularity of transactions, compliance with authority and the proper conduct of public business. The independent Value for Money examinations of the Comptroller and Auditor General collect evidence to support reports on the economy and efficiency of departmental operations or the systems employed to ensure the effective of operations.

Evaluation involves the exercise of evidence based judgement in reaching conclusions about the value of public programmes and projects. It requires the collection and analysis of information to reach conclusions on specific questions known as the evaluation criteria.

4.1.3 The Programme Logic Model

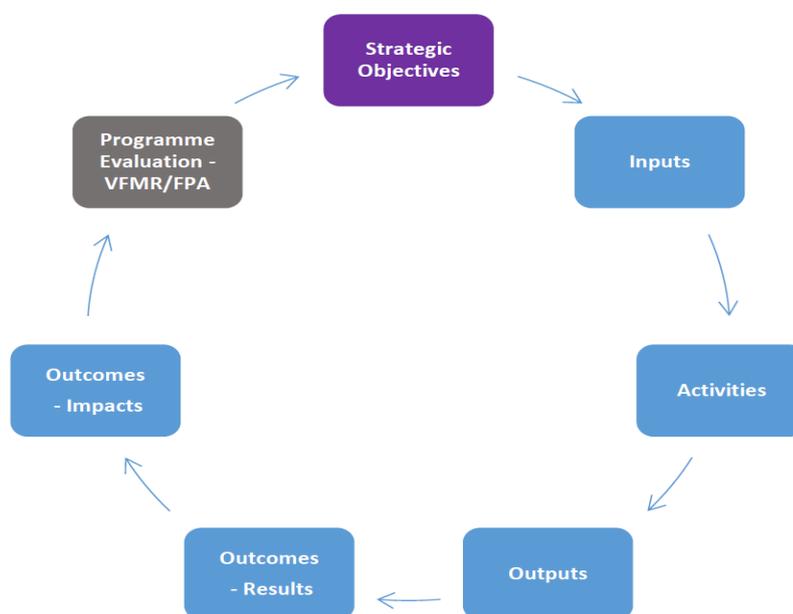
The evaluation framework is largely derived from a Programme Logic Model (PLM) approach which is a standard evaluation tool and can be helpful to the review team in thinking about the programme / policy area under review. The PLM maps out the shape and logical linkages of a programme and provides a systematic and visual way to present and share understanding of the cause-effect relationships between inputs, activities, outputs and outcomes (results and impacts). It is used in planning, implementation, monitoring and evaluation of programmes. Adoption of this approach should enable programmes to be analysed in terms of inputs, activities or processes, outputs, and outcomes that are arranged to achieve specific strategic objectives.

⁵ Further technical guidance can be found on the Public Spending Code website and on the IGEES website <https://igees.gov.ie/>

⁶ For more information see the UK Government's [Magenta Book](#).

The key aspects of the PLM are detailed below. It should be noted that other evaluation frameworks do exist and may be considered helpful in certain circumstances.

Programme Logic Model Flow Chart



PLM Definitions	
Strategic Objectives	Describe the desired outcome at the end of the process. The objectives should ideally be described in both qualitative and quantitative terms.
Input	There are many inputs to programmes – physical inputs (e.g., buildings and equipment), data inputs (e.g., information flows), human inputs (e.g., grades of staff) and systems inputs (e.g., IT, procedures). The financial input is the budget made available to the programme. Inputs are sometimes referred to as resources.
Activity	Activities (or processes) are the actions that transform inputs into outputs. Activities are collections of tasks and work steps performed to produce the outputs of a programme.
Output	The outputs are what are produced by a programme. They may be goods or services.
Result	The results are the effects of the outputs on the targeted beneficiaries in the immediate or short term. Results can be positive or negative.
Impact	Impacts are the wider effects of the programme from a sectoral or national perspective. They include the medium to long term positive and negative effects on the targeted beneficiaries.

A basic understanding of the underlying PLM is fundamental to the successful conduct of a VFMR or FPA. Reviewers must include a description of the PLM in the planning documents, i.e., the review plan. Practical examples of how PLMs have been applied can be found in previous evaluations published on the [IGEES Website](#). In addition, a discussion of the links between the PLM and performance indicators can be found in Section 5.

4.1.4 Evaluation Criteria

The evaluation criteria at the heart of the framework are directly linked to the PLM. These are essentially the questions to be answered through evaluation and are comprised of

rationale, efficiency, effectiveness, impact and continued relevance. These criteria will represent the main body of the VFMR and each should be addressed separately in its own chapter. The VFMR involves a study of objectives, inputs, activities, outputs, results and impacts to reach conclusions on the evaluation criteria. How the criteria link to the individual elements of the PLM is set out below.

Criteria	Link to PLM
Rationale	Objectives
Efficiency	Inputs, Activities, Outputs
Effectiveness	Objectives, Outputs, Results, Outcomes
Impact	Objectives, Outputs, Results, Outcomes
Continued Relevance	Objectives, Outcomes

The purpose of the rest of this section is to take some of the detailed questions developed for each of the five evaluation criteria and set out how to break them down into fieldwork tasks. The general approach is to follow the PLM that is identified in the planning stage of the VFMR. The rationale for this is that if the links between inputs, activities, outputs, results, and impacts can be confirmed, and achievement measured by reference to agreed performance indicators for each link in the chain, then there is a basis for reaching conclusions on the performance delivered by the programme. Where it is found that there are weaknesses in some linkages within the PLM, then this has an effect on the strength of the conclusions that can be reached. For example, if the PLM links between outputs and outcomes are weak then this affects the conclusions that may be reached on effectiveness and impact. Each of the evaluation criteria is now set out in detail.

It is important to stress that the evaluation criteria set out below apply to both VFMRs and FPAs. The only difference is that all of the criteria should be addressed by a VFMR while only one or two of the criteria will ordinarily be covered in an FPA. While not all programme logic elements (objectives, inputs, activities, outputs, outcomes and impacts) will be evaluated in an FPA, it is recommended that a summary logic model is an output of the FPA to capture summary information and map out the programme under review.

4.1.5 Rationale

Rationale relates to evaluation questions concerned with identifying programme objectives and examining their validity. There are two main aspects involved in the evaluation of rationale as detailed in the table below.

Detailed Questions	Example VFMR Tasks
<p>Why is a public policy intervention necessary? What market failure is being addressed? How does the programme fit with other programmes of the Department or programmes of other Departments/ Agencies that target the same category of beneficiary or economic/social issue?</p> <ul style="list-style-type: none"> • Is the programme responding to identified current needs/policy/development plans? • Are the programme objectives clear and specific? What are the primary objectives? Are there secondary / sub level objectives? • Are the programme beneficiaries clearly identified? (Objectives should be linked to beneficiaries). • Are implementation responsibilities clearly identified? 	<p>Analyse and assess the stated rationale.</p> <p>Identify and specify the market failure (See Box 1 below).</p> <p>Obtain and review the relevant documentation that supports the programme strategy/plan, e.g. situation analysis, business plan, Memoranda for Government, relevant Ministerial speeches, Oireachtas debates, PQ responses, historical briefing, stakeholder consultations, business case, cost benefit analysis, and strengths, weaknesses, opportunities, threats (SWOT) analysis, etc.</p>
<p>Why is a public policy intervention necessary? What market failure is being addressed? How does the programme fit with other programmes of the Department or programmes of other Departments/ Agencies that target the same category of beneficiary or economic/social issue?</p> <ul style="list-style-type: none"> • Is the programme responding to identified current needs/policy/development plans? • Are the programme objectives clear and specific? What are the primary objectives? Are there secondary / sub level objectives? • Are the programme beneficiaries clearly identified? (Objectives should be linked to beneficiaries). • Are implementation responsibilities clearly identified? 	<p>Analyse and assess the stated rationale.</p> <p>Identify and specify the market failure (See Box 1 below).</p> <p>Obtain and review the relevant documentation that supports the programme strategy/plan, e.g. situation analysis, business plan, Memoranda for Government, relevant Ministerial speeches, Oireachtas debates, PQ responses, historical briefing, stakeholder consultations, business case, cost benefit analysis, and strengths, weaknesses, opportunities, threats (SWOT) analysis, etc.</p>
<p>Are the programme objectives valid?</p> <ul style="list-style-type: none"> • Are the programme objectives compatible with objectives in the statement of strategy? • Are the expected results/impacts clearly defined and related to the objectives? • Can the planned activities be linked to the expected outcomes? • Are risks and assumptions identified? 	<p>Compare with the objectives set out in the Statement of Strategy.</p> <p>Interview those responsible for the design of the programme to gain an appreciation of the linkages between objectives, inputs, outputs and outcomes.</p> <p>Obtain and review ex-ante document including the business case, relevant metrics, and process introduced when the programme was implemented.</p> <p>Consider whether the indicators of achievement for inputs, activities/outputs and outcomes are appropriate to the objectives.</p> <p>Make a critical assessment of the programme objectives and of the linkages between objectives, inputs, outputs and outcomes.</p>

Review findings on rationale should be developed in a pro-active way. For example, a VFMR might recommend a re-articulation of objectives in a more meaningful way.

Box 1 - Market Failure: What it is and what it isn't

In the context of examining the rationale for Government intervention, it will be important to consider the concept of market failure. Market failure occurs when enterprises do not produce the optimal level of goods and services from the perspective of society and this creates a basis for policy intervention in order to correct for these inefficiencies.

The main types of market failure are:

- 1) imperfect competition which involves inefficient outcomes as a result of market power. Market power can arise as a result of insufficient competition in a market, e.g. monopoly markets;
- 2) externalities when a particular activity produces benefits or costs for another activity that are not directly priced into the market. Examples include research and development spill overs and environmental impacts such as pollution;
- 3) information failures which is when all players do not have perfect and complete information, e.g. health insurance market; and
- 4) public goods which is when an enterprise can benefit from a good that another enterprise purchases and there is generally no way to prevent that enterprise from benefiting from that good or service (in the economic jargon, these goods are referred to as non-rival and non-excludable). Examples include national defence, basic research, health and education.

4.1.6 Efficiency

The evaluation questions that ask for identification and analysis of trends in inputs, activities and outputs are concerned with efficiency. It is usually appropriate to focus in on specific aspects of output, e.g., timeliness or output cost. Efficiency is a relative concept, that is, observations on efficiency involve a comparison with previous years, a base line, an imposed standard, or an external benchmark (see Section 5 for more on benchmarking). The underlying efficiency question asks how resources/inputs were transformed into outputs. The study of economy is a subset of the study of efficiency which focusses on programme inputs.

Detailed Questions	Example VFMR Tasks
Efficiency	
<p>What are the key indicators for measuring the operational efficiency of the programme?</p> <p>What are the outputs? How many are produced?</p> <p>Are output targets met?</p> <p>How long does it take to produce an output?</p> <p>Are time targets met?</p> <p>What are the backlogs in the system? Are they getting better or worse?</p> <p>How complete and accurate are outputs?</p> <p>How many complaints are there about outputs?</p> <p>How much did the output cost, per item and in total?</p> <p>Can the indicators relating to the assessment of efficiency be improved?</p>	<p>Obtain sufficient information for the temporal scope of the VFMR and study the following changes / trends, where relevant:</p> <ul style="list-style-type: none"> • the quantity (throughput) of output; • the timeliness of outputs (e.g., improvements in reporting timelines); • the different quality of output (e.g., different types of reports); and • the unit cost of outputs (e.g., X units of output per Full Time Equivalent (FTE)). <p>Benchmark each of the above against appropriate standards.</p> <p>Study the programme activities from the perspective of transforming inputs (resources) into outputs.</p> <p>Matters to consider include:</p> <ul style="list-style-type: none"> • the overall management of the programme; • co-ordination; • co-operation; • governance; • monitoring; • financial management; • time management; and • stakeholders' performance.
	<p>Review the performance indicator framework in light of the evaluation of programme efficiency.</p>
Economy	
<p>Was the best price obtained?</p> <p>Could a cheaper price be obtained? (e.g., performing work during normal hours instead of on overtime or regulating for the private sector to undertake an activity or not, e.g., pollution, etc.)</p> <p>How do the inputs compare with the inputs of equivalent programmes elsewhere?</p> <p>Was a higher and more expensive grade of staff used? (e.g., an AP doing the work of a HEO).</p> <p>Was the quality of inputs maintained? (e.g., through staff training).</p>	<p>Assemble and analyse the trends in relevant expenditure for the period of the review.</p> <p>Identify any wasted expenditure (e.g., inputs paid for but unused).</p> <p>Benchmark against appropriate standards.</p> <p>Obtain an understanding of the staff resources consumed by the programme.</p>

Where there are a large number of outputs, or linked outputs, attempts should be made to separate them into intermediate and final outputs. For example, the preparation of case notes could be considered an intermediate output of a State Solicitor. The final output is the number of cases actually processed. The extent to which intermediate outputs need to be considered depends on the circumstances of the review. It is usually the attributes of the final outputs that deliver outcomes. This analysis should have started in the planning phase but will need to be revisited here.

While every effort should be made to directly observe efficiency through analysis of programme data, etc., as a last resort, where data availability on outputs is poor, an alternative approach is to study the transformation process; that is the activities that produce outputs. There should be documentation of activities in business plans, activity reports and from the daily work of the responsible officials. The VFMR then consists of the identification and discussion of the factors influencing efficiency in the programme under consideration with particular reference to those factors that cause variances from planned activity and inefficiency. These can be management issues, resource allocation issues, or external influences on implementation (e.g., changes in senior management, changes in procedures, and/or problems with original design).

Importantly, difficulties encountered in measuring outputs should be discussed in the report and appropriate recommendations for systems improvements should be made.

4.1.7 Effectiveness

Effectiveness can be broadly described as the extent of achievement of the programme specific objectives aimed at achieving results in the shorter term. Objectives defined in terms of longer-term impacts, as opposed to results, should be considered under the impact criterion.

In order to properly measure effectiveness, the specific objectives must be capable of measurement. In the absence of clear objectives and measurable result indicators, the task of the review team becomes more difficult and there is a greater dependence on the judgment of the review team and the Steering Committee. This does not make the VFMR less valuable. In these cases the VFMR Steering Committee and review team should make suitable recommendations for introducing improved documentation of objectives and indicators for future programmes. Where there are no defined programme objectives and/or result indicators there are two areas that should be explored:

- Develop a small set of result indicators or proxy indicators suitable to judge effectiveness, by breaking down the immediate objectives into subsets whose achievement can easily be identified. For example, the effectiveness of a recycling programme could be measured by public awareness, volume recycled or the proportion of waste diverted from landfill, etc.; and

- Using the PLM, work back from high level sectoral objectives through an investigation of the relative contribution of the programme to the overall sectoral objectives. Examination of comparable programmes might help in this regard. This approach combines effectiveness with impact.

The suggested detailed evaluation questions and tasks for effectiveness are detailed in the following table.

Detailed Questions	Example VFMR Tasks
<p>To what extent have output and result indicators been specified for the programme?</p> <p>What did the programme achieve? What methods are used to assess effectiveness?</p> <p>What is the performance gap (i.e., the difference) between actual and expected outputs and results?</p> <p>What are the contributing factors to the performance gap?</p>	<p>Identify output and result indicators specified for the programme.</p> <p>Determine the actual level of outputs and results.</p> <p>Study the movement in output and result indicators that provide information on the effect on targeted beneficiaries.</p> <p>Consider the appropriateness of the output and result indicators used.</p> <p>Compare the actual levels of output and result indicators with the desired level.</p> <p>Analyse and discuss the reasons for any performance gap. This analysis should reflect / be cognisant of the original (or proxy) objectives of the programme area.</p>
<p>Is there satisfaction with the level of achievement of outputs and results?</p> <p>Is the achievement measured against a valid baseline?</p>	<p>Interview managers and review documentary evidence to assess the level of satisfaction with outputs and results achieved.</p> <p>Inquire into the level of complaints or appeals received in respect of outputs and results.</p> <p>Consider a survey of final beneficiaries to gather evidence of their satisfaction with the outputs and results.</p> <p>Consider and assess the suitability and accuracy of baseline indicators.</p>
<p>Is the feedback on effectiveness used in setting new objectives?</p>	<p>Interview programme managers and review documentary evidence to find out how effectiveness issues influence policy development and the setting of new objectives.</p>
<p>Can the indicators relating to the assessment of effectiveness be improved?</p>	<p>Review the performance indicator framework in light of the evaluation of effectiveness.</p>

4.1.8 Impact

The impact evaluation questions focus on wider socio-economic effects (including the medium to long term impacts on target beneficiaries), the contribution of the programme to overall policy implementation and the influence on and of other policy frameworks. For programmes running for less than five years, it may be difficult to properly assess programme impacts. In such cases, review teams should rather seek to (i) assess the

likelihood of impact, and, if appropriate, (ii) make recommendations to strengthen the information basis to support management judgments on impact.

A number of different indicators should be used to build a level of confidence about the conclusions reached on impact. The consideration of impact can draw on information gathered to support all the other elements of PLM.

Detailed Questions	Example VFMR Tasks
<p>What are the medium to long term impacts on the targeted beneficiaries?</p> <p>What are the wider socio-economic effects of the programme? Is it possible to isolate the programme contribution to wider impact?</p> <p>Are there impact indicators to measure the socio-economic effects? Can impact indicators, or proxy indicators, be specified for this?</p>	<p>Study the expected and actual impact by reference to the:</p> <ul style="list-style-type: none"> • specified impact indicators; • actual programme implementation (output and result indicators); • PLM (especially the overall objectives, specific objectives and expected results), i.e., the quality of the programme design; • current stage of implementation; • the quality of the management of the programme; • the intended/unintended behaviour of the final beneficiaries; • the strength of external influences on impact (political, economic, legislative, social, etc.); • Identification of a counterfactual; and • additionality, deadweight and displacement effects (see Box 2 below).
<p>Were there unintended side effects?</p>	<p>Consider the wider effects of the programme and assess whether there were any unintended side effects.</p>
<p>What are the other relevant policy impacts?</p>	<p>Review teams should also consider the wider policy impacts of the programme or area under review. It may be useful to consider the criteria set out in the cabinet handbook.</p>
<p>Can the indicators relating to the assessment of impact be improved?</p>	<p>Review the performance indicator framework in light of the evaluation of impact.</p>

A full consideration of impact for a complex programme typically requires a medium to long time horizon and a shared understanding of the variables that contribute to wider impact. Review teams should outline any difficulties they encounter in evaluating impact and propose appropriate indicators to enable a more comprehensive assessment of impact to be made in the future.

Box 2 – Additionality, Deadweight and Displacement

Additionality is what an intervention actually adds above and beyond what would happen anyway. For example, this could be a percentage increase in employment within a cohort of people *directly as a result of a targeted labour market activation scheme*.

Deadweight relates to outcomes which would have occurred without the intervention, the scale of which can be assessed with reference to a counterfactual scenario. The counterfactual is what would have happened to the outcome of interest had the policy not taken place. For example, if the State supports a cohort of companies through grant provision but does not support an identical cohort of companies and both sets of companies increase their performance, on average, by the same amount then the level of support given to the supported cohort can be considered a deadweight loss. Deadweight can be seen as a spectrum with pure deadweight where the outcome would have occurred without the intervention, partial deadweight where the outcome would have had a reduced scale without the intervention, and zero deadweight where the outcome would not have occurred without the intervention.

Displacement measures the extent to which the benefits of a project are offset by reductions of output or employment elsewhere, e.g., if a new tourist office is opened in Bray and tourism increases in Bray as a result but decreases in Greystones, this may be down to a displacement effect. In such a situation, there may be limited or no additional benefits realised.

4.1.9 Continued Relevance

The evaluation questions that cover the justification for continued allocation of public money to a programme are associated with the evaluation criterion continued relevance. Continued relevance, while likely to be more important for programmes that have been in existence for a number of years, can apply in certain circumstances for programmes in place over a shorter timeframe. This can apply where long standing programmes have undergone a significant change, e.g., an unemployment programme targeting a particular cohort of jobseekers.

Detailed Questions	Example VFMR Tasks
<p>What is the justification for the continued allocation of public money to the programme?</p> <p>Is the service being provided by another body, public, community or private?</p> <p>Has the programme been achieving its objectives?</p>	<p>Undertake fieldwork to establish the justification for the continued allocation of public money to the programme. The fieldwork is likely to consist of some or all of the following:</p> <ul style="list-style-type: none"> • researching of previous policy papers, Ministerial speeches, annual programme reports, and needs analyses; • interviewing programme managers and/or key stakeholders; • conducting a survey of stakeholder opinions; • considering similar services provided both by the Department or Agency concerned and by other (public and private) organisations and the implications for the continuation of the programme; and • carrying out original research and analysis to establish the justification for the continued allocation of public money to the programme.
<p>Is rationale kept under review?</p> <p>Has anything happened during the implementation of the programme to make the programme more, or less, relevant?</p> <p>Is programme design being kept up to date to take account of the changing external environment?</p>	<p>Assess the environment/context in which the programme operates.</p> <p>Inquire if the objectives and target indicators have been updated.</p> <p>Consider whether this would have been appropriate.</p>
<p>How does the programme fit in with other programmes of (i) the Department, (ii) other Departments, and/or (iii) other public bodies in delivering on the Government's overall policy objectives in the area in which the programme operates?</p>	<p>Consider and assess the interaction/relationship with complementary policy interventions in the Department or in other Departments.</p>

Some of the factors that may indicate that continued relevance is an issue are set out below:

- The programme is not achieving its objectives;
- The objectives of the programme (programme design) have not been reviewed for a long time;
- The market failure argument is no longer relevant;
- The programme may be overtaken by events such as the passing of new legislation or changed socio-economic factors;
- There is a perception that a different Department or stakeholder should have ownership of the programme; and/or
- There is evidence of an international trend to change the implementing arrangements.

Review teams are encouraged to research the experience of other jurisdictions in these situations. There will usually be a need for more extensive consultation with all stakeholders.

4.1.10 Where the Programme is at an early stage

VFMRs by their nature should be undertaken for programmes that have been ongoing for some time, ordinarily five years but at a minimum three years. However, there may be circumstances that require an evaluation of a programme at a relatively early stage. This can present challenges in terms of evaluating effectiveness and impact. In these situations, evaluation questions should be adjusted to investigate the likelihood for effectiveness and impact. This might include a review of the following issues:

- The robustness of the PLM;
- The rationale of the project;
- A strengths, weaknesses, opportunities, threats (SWOT) analysis;
- The performance of personnel in the implementation of other on-going projects; and/or
- Positive or negative external factors (including expected changes) in the project environment.

4.1.11 Additional Public Policy Evaluation Criteria

In addition to the five main evaluation criteria outlined above, VFMRs may need to take into account a range of additional public policy criteria that are relevant to the design and implementation of Government programmes. Depending on the nature of the programme being reviewed, it may be appropriate to address additional criteria under one or more of the five evaluation criteria outlined previously.

Each of the key criteria, named below, are set out in more detail in the Cabinet Handbook. Review teams should note that these criteria are updated from time to time taking account of Government priorities. The current set of criteria include:

- Jobs;
- North-South Relations;
- East-West Relations;
- Gender Equality;
- Poverty Proofing;
- Competitiveness & Industry Costs;
- Cost to the Exchequer;
- Rural Communities; and
- People with Disabilities.

Review teams should also note potential additional criteria as reflected in programmes for Government.

4.1.12 Wider Management/Operational Issues

Another range of issues which fall outside of the typical evaluation criteria are managerial and operational issues. The range of issues to be addressed will depend on the programme/area under review and the emerging findings within the report. Typically, this may include specific issues relevant to the operation, management and delivery of the programme. For example, these types of issues can be particularly important where the nature of the programme has necessitated an exploration of whether it should be outsourced or not.

5 How to Evaluate – Data and Analysis

5.1 Data and Analysis

This section of the guidance provides an overview of the types of data and analysis that can be utilised in a VFMR or FPA. It builds on the detailed questions and tasks introduced in Section 4 by setting out various ways in which these questions and tasks can be completed. While for criteria such as rationale and continued relevance, many of the tasks are relatively straight forward, however for questions related to impact and effectiveness, there are a range of methodological techniques, such as econometric analysis, which can be usefully employed to answer questions in a robust manner. These techniques are introduced below.

Before this, the types of data typically used / useful for VFMRs and FPAs are set out. This includes datasets that are available for Departments to either download or make an application for as well as specific types of performance indicators which should be commonplace in a VFMR/FPA.

5.1.1 Data Information

One of the key recommendations that has been made in many VFMRs over a number of rounds relates to a lack of data availability to adequately answer the key evaluation questions. Resulting from this, the Public Spending Code now requires organisations to undertake evaluation proofing of programmes and schemes for all new current expenditure as part of the appraisal process. In effect, this means that prior to the evaluation stage, Departments should be looking at the data that are being collected on programmes and schemes and determining if these data are sufficient to answer key evaluation questions when the time comes to subject an area to a VFMR/FPA. Where this is not the case, Departments then need to put in place a plan to collect key data such that a robust evaluation can be conducted. The types of data typically required to undertake a robust evaluation are set out below.

The above obligations apply to new spending proposals involving total expenditure of at least €20 million over the proposed duration of the programme and a minimum annual expenditure of €5 million. Where there are significant changes to a scheme these requirements also apply. For smaller programmes, evaluation proofing should be done as part of good practice.

5.1.2 Types and Sources of Quantitative and Qualitative Data

Primary Data Sources

The following table highlights just some of the data that can be utilised in a VFMR/FPA. It also details a number of key data sources for national and international statistics in addition to a number of key micro datasets that may be useful depending on the sector / context of the VFMR/FPA. It should be noted that the following table is by no means exhaustive and

there are a range of other data / datasets that review teams may have access to that can also be used. Review teams should also consult the [Irish Social Science Data Archive \(ISSDA\) website](https://issda.gov.ie/) when collecting data and Ireland's Open Data Portal at <https://data.gov.ie/data>

Types of Data		Source of Data	Getting the Data
Financial and Operational	<ul style="list-style-type: none"> - Programme data (incl. direct / indirect costs, etc.) - Administrative and management data (Staff, numbers, time, other resources, etc.) 	<ul style="list-style-type: none"> - Internal databases - Financial Management Systems - HR Management Systems - Routine management reports - Manually inspected reports, etc. 	<ul style="list-style-type: none"> - Download from internal system - Data request - Survey - Consultation / Submission - Use of contacts on Steering Committee
Performance Indicators	<ul style="list-style-type: none"> - Inputs, e.g., costs (payroll), staff time, etc. - Outputs, e.g., the number of payments made; the number of passports issued; the number of planning approvals given or refused, new legislation ratified, new policies developed and communicated, etc. - Activities, e.g., monitoring, reporting, service development, etc. - Results, e.g., reduction in journey times, illness, decrease in costs, number of jobs created, etc. - Impacts, e.g., increased survival rates, reduction in demand for health services, increased social inclusion, behavioural change, multiplier effects, etc. 	<ul style="list-style-type: none"> - Internal databases - Routine management reports - Manually inspected reports, etc. - External data (CSO, micro data files, etc.) 	<ul style="list-style-type: none"> - Download from internal system - Data request - Survey - Consultation / Submission - Use of contacts on Steering Committee
National Level Longitudinal Surveys	Growing Up in Ireland (GUI) Survey – wide variety of data available on the lives of young people	<p>Micro data file – 2 files available depending on level of detail required – anonymised file and researcher file.</p> <p>Micro data file – 2 files available depending on level of detail required –</p>	<p>Request data from Irish Social Science Data Archive (ISSDA) and/or the Department of Children and Youth Affairs (DCYA)</p> <p>Request data from Irish Social Science Data</p>

	TILDA - Research and information relating to older people and ageing in Ireland.	anonymised file and researcher file.	Archive (ISSDA) and/or Trinity College Dublin
International Surveys	<p>EU SILC – A household survey covering a broad range of issues in relation to income and living conditions</p> <p>Eurostudent Survey V – Data on the social and living conditions of higher education students</p> <p>European Social Survey – A survey measuring the attitudes, beliefs and behaviour patterns of diverse populations in more than thirty nations</p>	<p>Off the shelf data available from the CSO and Eurostat websites plus micro data file with more detailed data.</p> <p>Micro data file</p> <p>Off the shelf data file available to download</p>	<p>Request data from Irish Social Science Data Archive (ISSDA)</p> <p>Request data from Irish Social Science Data Archive (ISSDA)</p> <p>Download from European Social Survey website</p>
National Statistical Data	People and Society, Labour Market and Earnings, Business Sectors, Economy and Environment	Central Statistics Office (CSO) – StatBank (Incl. QNHS, HBS), Census and Other Public Sector Databases	Download from CSO website or make a special request to the CSO
Benchmark / Comparator Data	Various, see websites for more detail	Eurostat, IMF, OECD, World Bank, UN Data, ECB – Each organisation has data repositories	Download from website

5.1.3 Making Data Requests

Depending on the nature of the programme or area under review in a VFMR or FPA, review teams may need to request data from within their own Department or from across other Departments / public bodies, e.g., CSO. In some instances, this will require sending a data request. When doing so, review teams should clearly state the purpose of the data request and should also be cognisant of the time commitment that may be required in order to compile the requested data. As such, requests should be as specific as possible, focused only on those data required for the purposes of the evaluation – broad, catch all, requests should be avoided. Data requests will also need to take account of data protection rules and guidance.

5.1.4 Literature Reviews

Assessing previous studies related to the programme area can be important for a number of reasons. They can help the review team to build and expand knowledge of a policy area. Completed in this context, a number of avenues can be considered. These include:

- Systematic review;
- Rapid evidence assessment; and
- Meta-evaluation and meta-analysis⁷.

In addition, reviews of previous studies can also assist in unearthing secondary sources of evidence for the review team and can also highlight data that are available but may not have been previously considered. Relying on information in previous studies is efficient and acceptable as long as the Steering Committee is satisfied that the information is relevant, timely, objective and reliable.

The review of previous reports should be done in the initial period as it may generate other tasks for the review or eliminate / reduce the scope of some tasks already planned. The review of previous reports should include documents on:

- Strategic/policy/programme background (incl. Memos for Govt.);
- Programme objectives, funding, outputs and outcomes (e.g., terms of reference, monitoring reports, annual activity reports, evaluation reports);
- Acts, Regulations, Bills, Ministerial speeches, parliamentary questions, internal guidelines; and
- Monitoring reports (often good sources of data on inputs, activities, outputs and outcomes).

Summary of Aims of a Review of Previous Studies	
To identify and confirm availability of important data and facts	<ul style="list-style-type: none"> • Consider the completeness, accuracy and validity of available data sets needed for the VFMR/FPA; and • Identify any missing information and consider its impact.
To provide answers to elementary questions of the VFMR/FPA	<ul style="list-style-type: none"> • Confirm the Programme Logic Model; • Confirm programme objectives and key stakeholders; and • Identify potential external references for assessing the continued relevance of the programme.
To prepare the basis for interviews / surveys	<ul style="list-style-type: none"> • Identify potential stakeholders; • Confirm the need for surveys and the target survey audience; and • Confirm the need to interact with stakeholders to respond to queries about the VFMR/FPA and build support.
To obtain these outcomes	<ul style="list-style-type: none"> • Make an early and detailed request for information from the appropriate data owners; and • Distinguish important information from less essential information.

⁷ There are a range of resources which provide detailed information and methodological approaches to these types of reviews. A good starting point is the UK Government's [Magenta Book](#).

5.1.5 Surveys

If a survey is to be undertaken as part of a VFMR/FPA, the review team should note that this process can be costly, time consuming and administratively challenging. In addition, the large literature on survey design and roll out should be consulted prior to undertaking such a task. A potential starting point in this regard is the [Survey Monkey](#) website which houses some useful resources on:

- How to design a survey;
- How to increase response rates; and
- How to analyse results.

In addition, review teams with limited experience of undertaking surveys should seek to consult with those who have; either within their own Department or across other Departments or the CSO. IGEES contacts may also be useful here.

5.1.6 Consultations with stakeholders

VFMRs/FPAs may require consultation with key stakeholders to provide information on a particular area or data for a piece of analysis. Stakeholders can come from a number of areas/organisations including internally with the Department, across other Departments and/or Agencies or from NGOs, the general public or other Government Administrations.

There are a number of useful approaches to obtaining stakeholder views. These include:

- Written submissions;
- Use of surveys;
- Focus groups;
- Direct meetings / interviews; or
- A combination of the above.

Those undertaking consultations should consult the relevant consultation guidance in use at that time. The existing guidelines, dating back to 2005, can still be accessed on the website of the [Department of the Taoiseach](#). However, review teams should make themselves aware of any updated guidance.

5.1.7 Conducting Interviews and Focus Groups

A number of factors may make the conduct of interviews and / or focus groups necessary. These include, but are not limited to:

- The scope of the area under review;
- The importance of the topic;
- The number and importance of stakeholders / interest groups; and
- The type of information required.

For example, if there are a disparate set of stakeholders with particular interests in a policy area, the use of different focus groups may be useful as the different groups may have very different views on an area and this approach can account for these differences. Alternatively, or in addition, interviews with selected stakeholders may be particularly useful and potentially less resource intensive.

Interviews and focus groups provide supplementary data to explain why trends or outcomes are occurring and provide more context.

There are a range of online resources that can be consulted if a series of interviews / focus group sessions is to be undertaken in a VFMR or FPA. However, particular care should be taken in the initial phases of both approaches in terms of how samples are chosen and how questions are designed. In terms of the former, the sample should be representative and in terms of the latter, the questions need to be specifically designed to gather the appropriate information / data. Again, there are a range of online resources to assist review teams, especially in choosing the correct sampling method. In the first instance, the Central Statistics Office (CSO) could be consulted and will be able to suggest appropriate guidance.

5.1.8 Coping with limited data

Quantitative data gathering should be prioritised in the fieldwork stage of the evaluation as the availability and/or quality of data to support the work of a VFMR/FPA can, at times, present issues for review teams. If such issues arise in a VFMR, they should be flagged to the Steering Committee at the earliest stage possible for discussion and resolution.

In cases where there is very limited data available, there are a number of options available to the review team and Steering Committee. These include:

- Changing the methodology to specifically provide for the collection of data through a survey or through examination of primary records;
- Choosing reference periods in different years and assembling information for these periods, potentially as case studies. Care should be taken to identify any unusual events that might distort the interpretation of trends observed in the reference period, i.e., seasonal variation, outliers, etc.;
- Adjusting the scope of the review to allow for an FPA (see Section 6) to be undertaken instead;
- Consider an assessment at an interim stage of the VFMR – i.e., following the methodology and ToR being signed off, conduct a feasibility study on actually being able to conduct a full VFMR. If the study finds that data are not available to facilitate this, then instead of proceeding at this stage, the review team could set up a monitoring and data gathering process, and return to the policy area in a few years when sufficient data are available to properly review performance.

In all cases where data problems are encountered, the review team should investigate the causes of deficiencies (e.g., poor programme design and/or high cost of data collection), and make appropriate conclusions and recommendations. In particular, recommendations can be

made regarding future design, i.e., the importance of properly specified performance indicators and a system for gathering and storing relevant data.

Examples of how different Departments have dealt with poor data availability can be found in previously completed VFMRs such as the Value for Money Review of the Arts Council and the Value for Money Review on National Road Maintenance on the [IGEES Website](#) .

5.1.9 Analytical Techniques

There are many analytical techniques that can be utilised by review teams when conducting evaluations. These range from simple descriptive statistics and trend analyses to more complex techniques such as counterfactual impact evaluations (CIE). VFMRs will usually make use of a number of techniques given the scope of the exercise and the various types of questions to be answered. This may also apply to FPAs despite their narrower scope.

The analytical technique(s) chosen will be informed by the type of intervention being evaluated, the data available, the evaluation questions to be answered, the time available to conduct the evaluation, and the evaluation skills and expertise that the evaluator can draw on. Depending on the nature of the programme, and the review team's skillsets, there may be opportunities to use various types of analytical techniques beyond basic analysis. Techniques, such as statistical tests or econometric analysis, may offer insights and should be considered where relevant.

The table below outlines just some of the techniques that can be used. There are others. This table is merely to raise awareness of the range of analytical options available. More detailed information on these types of analysis can be found from a variety of sources. For example, the European Commission provides detailed guidance on CIE which can be accessed at https://crie.jrc.ec.europa.eu/sites/default/files/documents/CIE_Guidance_EN.pdf

Contact the IGEES Unit in your Department for guidance on reliable sources and analytical techniques in general.

Types of Analysis	
Basic Analysis	<ul style="list-style-type: none"> - Descriptive Statistics - Trend Analysis - Correlational Analysis - Financial Analysis - Demographic Analysis - Baseline Analysis
Impact Analysis	<ul style="list-style-type: none"> - Distributional Analysis - Social Impact Analysis - Spatial/Geographical Impact Analysis
Multi-criteria Analysis	<ul style="list-style-type: none"> - Process by which options are examined and preferences established. It assesses individual options by reference to an explicit set of objectives with measurable criteria which examine the extent that objectives are achieved. - Usefulness in analysing both qualitative and quantitative costs and benefits.
Cost benefit analysis	<ul style="list-style-type: none"> - CBA attempts to evaluate the proposal from the perspective of society by placing all the costs and benefits on a comparative monetary scale - Estimate costs and benefits in monetary terms and discount for comparison in present values - Parameters available where benefits are difficult to estimate
Counterfactual Impact Evaluation	<ul style="list-style-type: none"> - Randomised Control Trial (RCT) - Propensity Score Matching - Difference in Difference - Regression Discontinuity Design - Instrumental Variables
Other Econometric Analysis	<ul style="list-style-type: none"> - Regression Analysis - Elasticity Estimates - Time Series Analysis

5.1.10 Identifying and analysing objectives of programmes/areas being reviewed

All programmes should have clear objectives incorporated into their design at the outset. The study of programme objectives, as part of a VFMR or FPA, should lead to a conclusion on what the objectives are and how they fit with the various Statements of Strategy, Government objectives, etc. It is important to remember that there may be a hierarchy of objectives to consider. This hierarchy is set out below in addition to a number of examples.

Hierarchy of Objectives	Labour Market Programmes	Poverty Proofing
Overall objectives, also called “wider objectives” or “final objectives”.	The target national rate of unemployment)	Contribution to the National Anti-Poverty Strategy
Specific objectives, also called “specific purpose” or “intermediate objectives”.	Employment rates in a specific industry	Specific objectives of anti-poverty programmes
Expected results	Employment rates for specific target group(s)	Intended reduction in poverty among specified group(s)

The identification of objectives is usually done through documentary review, discussions in the Steering Committee and consultation with stakeholders.

While it should be a straightforward issue to identify the expected outcomes, this is not always so. In some cases, there will be little or no programme documentation from which to establish the objectives. In other cases it may involve several interventions and, correspondingly, several sets of objectives. In these latter cases, the challenge is to find linkages between these sets of objectives to provide a clear reflection of the overall logic of the programme.

The expected outcomes can be considered as the performance targets for the programme. If there are no specific expected outcomes, it is very difficult to make meaningful comments on efficiency, effectiveness and impact. Where necessary VFMRs and FPAs should be used to promote improvements in the articulation of objectives in strategic documents and in the documentation of expected outcomes. If a re-articulation of objectives is being done with specific performance targets listed, appropriate monitoring/performance indicators should be recommended to track progress against those targets.

5.1.11 Identification and use of benchmarks, comparators and good practice

Benchmarking is the quantitative and/or qualitative comparison of project or programme effects to a base case. The base case is the benchmark or standard for the comparison. It can be:

- Doing nothing or minimal intervention i.e., what would have happened in the absence of the project or programme – i.e. the counterfactual;
- A comparable intervention in the same or in a related policy area or jurisdiction; or

- Comparable 'best practice' in the same or a related policy area.

Quantitative benchmarking looks mainly at the numbers or ratios. Qualitative benchmarking looks at the systems and processes that deliver the outputs and outcomes. Both types can form an important part of a VFMR.

When the base case used is doing nothing or minimal intervention, the aim is to separate the effects of a project or programme from changes that would have occurred anyway. It can address the issues of additionality, deadweight and displacement, leading to conclusions regarding the efficiency, effectiveness, impact and continued relevance evaluation questions.

Benchmarking is facilitated when, at some level, there is comparative information, and knowledge of good and not so good practice. The results of a benchmarking exercise should be reliable when a suitable base case or comparator is identified, and the method used for the calculation of the performance indicators for the project or programme under review and the benchmark is identical. Sometimes it is difficult to establish a precise formula of calculation with directly comparable data sources for the benchmark. It should be noted that if assumptions are made, they must be compatible e.g. useful life, time period, and interest or inflation rates.

Finally, benchmarking should ideally combine quantitative and qualitative processes. It is not enough to know the value of quantitative performance indicators e.g., the unit cost of output is higher than the benchmark. It is also necessary to ask how to improve such a ratio. To improve a process, there will have to be measures that indicate where process improvements can be made. Properly implemented, in the context of VFMR, benchmarking should facilitate the prioritisation of areas for improvement within public expenditure as well as giving a simple way to measure progress over time.

5.1.12 Other Types of Evaluation

There are a number of other evaluation types that exist outside of those set out in this document. A number of examples used in other area across the civil and public service are set out in brief below.

5.1.13 Periodic Critical Review (PCR)

This type of evaluation will be conducted in the context of the Code of Practice for the Governance of State Bodies (2016) which states that non-commercial State bodies shall be subject to PCR no later than every 5 years. This provision is to ensure that the ongoing business case for State bodies, including those newly established, will be subject to periodic scrutiny and assessment.

The overarching objective of the review process is primarily to secure improvements in accountability, efficiency and effectiveness but also to scrutinise objectively the case for rationalisation and consolidation of public bodies in light of changing requirements, demands and priorities. The review process should also assess the extent to which the governance structure of each public body and the Department's oversight of that body (if appropriate) is

consistent with its legislative underpinning and is strongly aligned to the business needs of the body.

This type of review should include the external environment (economic, political, legislative, stakeholder, and technological), organisational capacity (governance, financial management, process management, other organisational linkages, HR management) and organisational performance (relevance, financial viability, economy, efficiency, effectiveness). The review should be evidence based and where possible compare actual performance against targets and/or external benchmarks.

5.1.14 Post-Project Reviews

Another type of evaluation, as set out in the Public Spending Code (PSC or Code), relates to post project reviews. Post Project Reviews are in depth evaluations of projects / programmes / grant schemes. They are required because:

- Regular monitoring of performance indicators needs to be supplemented with a more in-depth study to assess efficiency and/or effectiveness;
- An independent review of efficiency, effectiveness and continued relevance is sometimes needed;
- The outcomes of the intervention will not occur for some time and a different approach to measuring effectiveness is required; and
- The scale of the investment/intervention justifies an in-depth evaluation.

The current guidance on post project reviews, available on the Public Spending Code website, outlines where and when reviews should be undertaken. Review teams should make use of the Public Spending Code where applicable.

5.1.15 Pilots

In principle and as general rule, no new programme / scheme can be introduced without a pilot. Final approval for full implementation of a scheme should not be granted until the pilot has been completed, formally evaluated and submitted for approval to a Vote Section in the Department of Public Expenditure and Reform (DPER).

Piloting is important because it will enable testing of different variants of the policy proposal, will highlight potential drawbacks and generate data about outcomes. However, pilot schemes may not be feasible for each new spending proposal and exceptions to this rule may be considered where issues of equity, feasibility or proportionality of expenditure arise. The Business Case should include a section on piloting. In this section, the proposing Department/Agency would set out the planned arrangements for piloting or provide a justification as to why piloting is not feasible.

6 Focused Policy Assessment (FPA) Guidance

6.1 What is an FPA⁸ ?

An FPA is an evaluation methodology designed to answer specific issues of policy configuration and/or delivery. This type of analysis compliments VFMRs which are broader in nature. Building upon the experience of the 2011 Comprehensive Reviews of Expenditure (CRE), FPAs are particularly useful where the policy question is specific and a faster turnaround may be required.

6.1.1 Types of FPAs

Across the range of policy issues, FPAs can take on a number of forms. More generally, FPAs can play a useful role in addressing:

- Cross-cutting issues of relevance to one or more Departments; typically conducted by evaluation staff from relevant Departments working together;
- Evaluation of a discrete expenditure programme to answer specific questions of programme design and delivery, by reference to one or more evaluation criteria (as set out in Section 4); and
- Preliminary evaluation of a more complex programme or inter-connected set of programmes to scope issues that may benefit from a full VFMR.

Types of FPA		
Type	Description	Examples of FPAs ⁸
Programmes or Schemes	This type of assessment looks at a discrete programme or scheme which has been operating for a least two years.	Green-Schools Travel Programme Early Childhood Education and the ECCE Scheme Civil Service Childcare Initiative Rural Social Scheme
Agencies or Bodies	This type of FPA specifically addresses an Agency or Body, typically with a significant budget or with responsibility for the administration of significant programmes/schemes.	Pobal
Cross-Cutting	A cross-cutting FPA would ordinarily assess issues spanning various Departments/Agencies. For example, this could include shared business functions or strategic areas such as consultancy services or pressing cross Departmental policy issues such as climate change, etc.	Papers prepared for Comprehensive Reviews of Expenditure 2012 – 2014 and 2015 - 2017

⁸ See the [IGEES website](#) for published reports.

6.1.2 When should an FPA be undertaken

As an evaluation methodology, FPAs are inherently focused on the past. They assess the performance of programmes with a view to recommending changes, if necessary. For example, these can relate to the rationale for a scheme / programme, improving efficiency, effectiveness or impact or to make the scheme more relevant in terms of its aims and objectives. Ideally, an FPA would not be carried out within the first two years of a programme. This is because sufficient time needs to elapse to allow for a body of evidence to emerge so that an assessment is comprehensive. Such assessments should not be pre-determined as regards the findings or recommendations and case making should be avoided.

6.1.3 Differences between FPAs and VFMRs

There are a number of salient differences between FPAs and VFMRs, some of which have already been alluded to above. These include the general approach and timeliness of each evaluation methodology and issues related to management, governance and quality control. Each of these is set out below.

6.1.4 Approach

In general, Departmental-level FPAs concentrate on specific, identified aspects of effectiveness and/or efficiency/economy or more narrowly focused assessments designed to answer specific issues of policy configuration and delivery. Where a VFMR will look at all of the evaluation criteria in a report, an FPA will only cover one or two of the following evaluation criteria:

- Rationale;
- Efficiency / Economy;
- Effectiveness;
- Impact; and/or
- Continued Relevance.

These evaluation criteria have been set out in detail above.

6.1.5 Timelines

As a general rule, from commencement to final draft, an FPA should be completed within three months, a much shorter time frame than for a VFMR. It is understood that the review processes thereafter, which can include circulation of the draft for feedback and comments, updating of the draft and sign off for publication, can take some time but it is expected that the main body of research should be completed within three months.

This contrasts with the nine month timeframe that is in place for the completion of VFMRs. This extended timeframe facilitates the much wider scope of that methodology. This is also reflective of the varying management, governance and quality assurance processes inherent in VFMRs which are not required for the FPA.

6.1.6 Management and Governance

FPA and VFMRs vary distinctly in terms of how the evaluation is managed from start to finish. For VFMRs, the process (as set out in Section 2) is now well established in that they are overseen and managed by a Steering Committee appointed by the relevant Department. The Steering Committee's responsibilities include agreeing the terms of reference, planning and coordinating the review, agreeing the methodology, reviewing drafts and submitting the final report. They will also have an independent chairperson to oversee the implementation of these various steps.

FPA do not require a formal Steering Committee. Instead, it is intended that the overarching process will be relatively flexible and not overly prescriptive. FPA are conducted by a Department's evaluation expertise such as its IGEES Unit or evaluation unit or other evaluation expert and ordinarily there should be no more than one or two evaluators.

6.1.7 Steps in an FPA

The overarching process involved in undertaking an FPA is detailed in this section. This consists of six steps ranging from the initial stages of topic selection to issues that should be considered when publishing the report. These are set out individually below.



6.1.8 Topic Selection

Prior to commencing FPA, careful consideration should be given to the proposed topic(s) to be researched. There are a number of important reasons for this, including gauging the feasibility of the assessment in terms of the level of information and data available as well as identifying topics that have not and will not be researched as part of an ongoing VFMR or other evaluation/research programme. In this regard, FPA may potentially fill any gaps left by research and/or evaluation programmes elsewhere in the system.

Topics for FPA will mainly arise from active engagement with Departments on-going review of its main spending programmes. Other potential starting points for FPA include follow ups

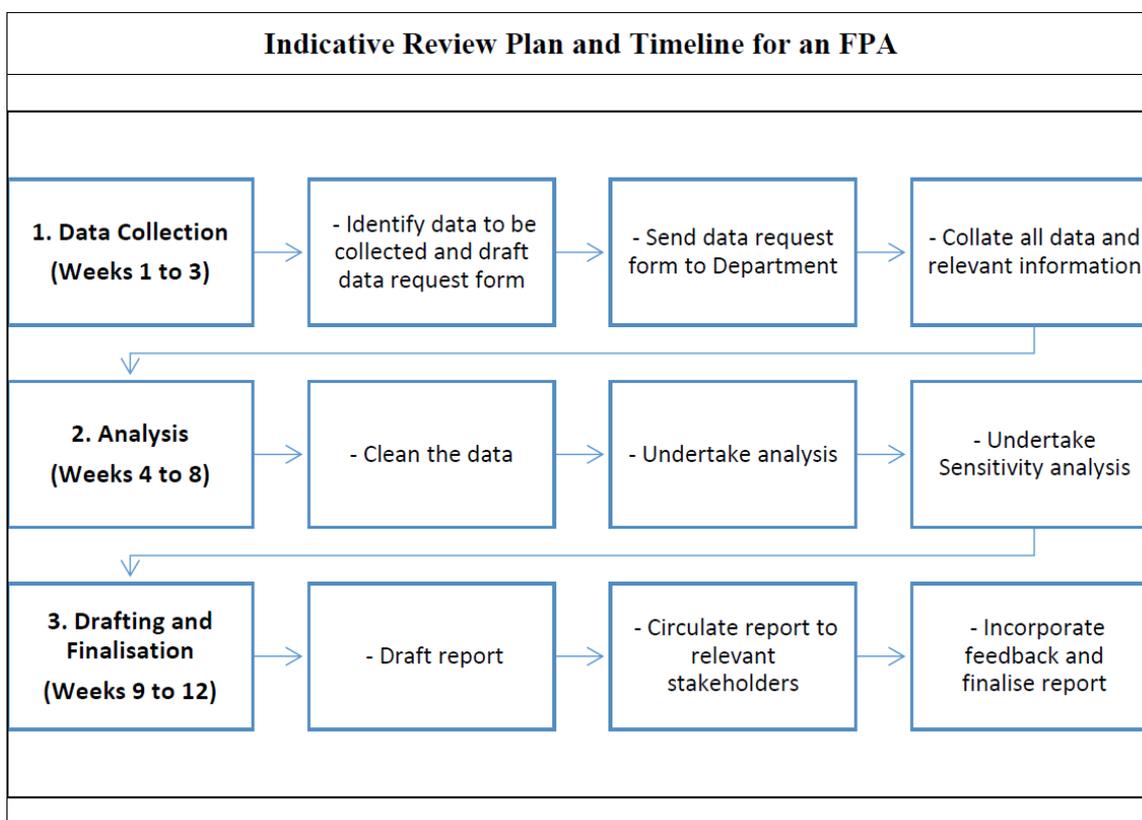
arising from VFMRs, gaps in previous spending reviews and topical areas of strategic policy importance. However, care should be taken to avoid duplication as evaluations may be ongoing elsewhere in the system.

Within each Department the process for choosing topics may vary and there are a number of factors which may influence topic selection for FPAs which should be considered. These include:

- Policy relevance;
- Materiality;
- Time elapsed since previous evaluation (C&AG, ESRI, consultants, CRE, etc.);
- Need to build knowledge about an area of spending;
- Need to scope a more detailed evaluation; and
- Wider thematic areas of interest, e.g. performance proofing, scheme administration, etc.

6.1.9 Planning

Once the topic has been chosen, the review team need to plan how they will undertake the evaluation. This should include setting out a timeline for the review with an indicative step by step plan on how the review will progress within this timeline. The graphic below is an indicative example of this.



An important element in planning is to be as clear as possible when outlining how each step of the assessment will be undertaken. For example, if part of the process will involve

obtaining data from Departments and/or Local Authorities, review teams will have to be cognisant of potential delays in receiving data.

Ultimately, before moving to the next stage, the review team should have a clear idea of how the review will progress including any potential risk factors. In this respect, a risk register may prove useful where potential issues are identifiable from the outset (see Section 2 for an indicative example of a risk register).

6.1.10 Quality Assurance

DPER will provide quality assurance for FPAs in a similar way to the VFMRs. The proposed process will formalise existing practice for recently completed FPAs whereby Departments are provided with quality assurance feedback at both the planning and finalisation stages of an FPA.

- Departments will be required to consult and meet with the relevant Vote section in DPER to approve the Terms of Reference (ToR), methodology and evaluation plan for the FPA.
- Once a draft report is completed, another meeting will take place between the relevant stakeholders.
- If other meetings are required to progress the report, these should be arranged as required.

In some instances, a technical group can be established to assist with the delivery of the FPA. It is envisaged that this would be an informal structure with a limited membership. The group may comprise the review team, the head of the evaluation unit / IGEES unit in the relevant Department, a representative of the relevant Vote Section in DPER and a staff member of the DPER IGEES unit. In addition, in some circumstances, it may be useful to include an independent member. This member would ideally have knowledge of the area but would not be directly involved in the specific policy area.

Setting up such a group would ensure that the lines of communication between the review team and various stakeholders remains open. As such, the group could ensure the robustness of the analysis and conclusions, provide balance to the report and ensure any inaccuracies are identified prior to publication of the report. Formal distribution of information at various stages of the FPA can be considered. However, this should not be over burdensome and would need to strike a balance between adoption of such a process and the prescribed three month timeline.

Furthermore, as is the case with VFMRs, FPAs should be published on the Irish Government Economic and Evaluation Service [IGEES website](#) .

6.1.11 Fieldwork and Analysis

Data

With the groundwork for the evaluation in place, the next step for the review team will be to collect and analyse all available data. Data can come from a variety of sources such as those set out in Section 5 above. In some cases, data will be publically available and can be easily downloaded. However, for specific programmes or for a Government Agency or Body, some data may be sensitive and in order to obtain these data, a request may need to be sent by the review team's Department. As a general point, review teams should make use of data where available. This applies right throughout the FPA.

Background / Context

FPAs should, where possible, provide detail and trends on the background of the programme / area being evaluated including, but not limited to:

- How the programme operates (incl. policy context);
- When it was established and how it has developed;
- Information on the beneficiaries;
- Programme expenditure over time; and
- Other salient programme information/data.

It will be important to clearly state the objectives of the programme at this point. While this will be a standard step across all FPAs, an indeed VFMRs, it will be essential in the cases where the FPA is looking at issues related to rationale, effectiveness, impact and/or continued relevance where the successful achievement of programmes objectives will be assessed in detail. Information on the objectives should be available from the scheme administrator be that a Department, agency or other body.

Analytical Approach

The analytical approach to undertaking an FPA is, in many cases, similar to that of a VFMR. Initially, it may be important to specify a Programme Logic Model to build up a clearer understanding of a given programme. More detail on the PLM is set out in Section 4 above. Once this has been done, and depending on the nature of the topic, the FPA then will look, in depth, at one or two of the evaluation criteria. These are also detailed in Section 4.

Avoidance of Case Making

FPAs and VFMRs should not be seen as case making exercises. They are evaluations which aim to determine if a programme, agency, strategy, etc. is working or not. As such, any analysis undertaken should be cognisant of this and should not be driven by prior ideas of how programmes should operate or change going forward. Evidence of case making can

often be seen in options analyses which are limited. Those reviewing FPAs should be cognisant of this and highlight instances of case making to review teams as they occur.

Drafting

In practice, the drafting of the report can commence shortly after the planning stage has concluded as there is likely to be off-the-shelf content readily available. This can include programme or scheme aims and objectives, background details on how an agency/body operates or notable information related to cross cutting strategies, etc. A lot of this type of information will be contextual in nature.

However, most of the significant drafting will be done once the detailed analysis stage has been completed. Naturally, this is because the analysis will shape the message and dictate the flow of the arguments made and the conclusions of the assessment. Clear non-technical language should be used. While some of the analytical tools that will be used in assessments may be quite technical or produce technical outputs, the results should be presented in a way that is understandable to all stakeholders including the public.

While VFMRs can be quite lengthy given their expanded ToR, the nature of FPAs is such that a shorter, sharper report would be expected to be the norm. While this document does not set out guidance on page limits, the focus should be on quality and not quantity.

Findings and Recommendations

Once the detailed analysis has been completed, the findings and recommendations can be set out. The findings section should focus on the evidence emanating from the assessment while the recommendations should point towards how, for example, a programme or scheme might be amended and/or improved going forward.

Finalisation

This stage of the process should focus on two elements, (1) ensuring the accuracy of the facts and figures within the draft and (2) circulation of the draft for comment and feedback to relevant officials and/or stakeholders.

In terms of the first point, while the review team might be satisfied as to the consistency of facts and figures throughout the report, it is nevertheless useful, where a Department or Agency has provided significant data or information inputs, to circulate a draft of the report. This is also important given the fact that the report may ultimately be published.

On the second point, while the DPER officials will be involved at various stages of the process, the report should also be sent to DPER (relevant Vote Section) for review and comment at this stage. The report will also be sent to senior management within the review team's Department. Prior to publication, the report should be signed off by both the DPER officials and by management in the review team's Department.

Publication

It is a requirement that reports produced within the VFMR and FPA initiative are published on the Departments website and on the IGEES website. VFMRs and FPAs should have a concise executive summary.

7 Appendix

7.1 VFMR Template Terms of Reference

The template ToR for VFMRs is set out below and essentially covers the five evaluation criteria in addition to the specification of performance indicators. Most VFMRs will adopt this framework, however there is some flexibility in approach. The lead Department and the Steering Committee must approve the VFMR ToR from the outset of the evaluation. For FPAs, a ToR will also have to be agreed by the lead Department and with the relevant DPER officials.

