



**Comhairle Contae
Dhún na nGall
Donegal County Council**

**FINAL AUDIT REPORT
DONEGAL COUNTY COUNCIL**

**IA22/03 Roads Management Office -
Nationalised Centralised Monthly Billing (NCMB)**

June 2022

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1. Executive Summary

Donegal County Council has made a commitment to provide a range of shared services as part of its 2020 Corporate Plan. The goal of these services is to generate savings and efficiencies as well as improve the Council's capacity to deliver a more strategic and targeted service model across the sector. The Roads Management Office (RMO) manages the Nationalised Centralised Monthly Billing (NCMB) shared service which deals with road openings for approved Authorities.

From interpreting various relevant statistics as part of this audit, it can be seen that the provision of the NCMB has improved efficiencies in the overall Roads Opening processes within Local Authorities. The vast reduction in "billing events" in the licence process from circa 90-100,000 to circa 150 a year ensures that resources are freed up and there is a reduction in backup documentation and data.

To date, 30 out of the 31 Local Authorities in Ireland have signed up to NCMB along with 7 out of the 8 main utility companies which demonstrates a high level of buy-in to the system and is positive outcome in relation to the development and roll out of the service.

There are a few small issues that require some attention, primarily in relation to training documentation and written guidelines on the overall process and the escalation process in relation to billing arrears.

The draft audit was circulated to relevant managers and staff in the RMO on 13th June 2022. Any responses and comments received have been incorporated in the completion of this report. Internal Audit's findings and recommendations for remedial action, where applicable, are included herein.

2. Assurance Rating

This audit has been assigned an assurance rating of:

Level 1 – Substantial

See **Appendix 2** for Classification of Audit Assurance.

On the basis of the work carried out in this audit, Internal Audit found that there is a good system of risk management, control and governance in place in relation to the management and administration of the Nationalised Centralised Monthly Billing Programme. The control systems in place, particularly in relation to the receipting and payment processes should ensure that the objectives of the service are achieved.

There are some minor issues in relation to training documentation and billing arrears, however implementation of the recommendations made in this audit should address these issues and ensure improved risk control and effectiveness.

3. Introduction & Scope

The RMO offers a number of centralised supports, forums, guidelines and technology for a number of stakeholders. The RMO works with all authorities, Transport Infrastructure Ireland (TII) and utilities as well as Government Departments including the Department of Transport (DoT). The office is responsible for the development and implementation of the MapRoad suite of software in local authorities and roadworks licence holders.

According to a 2016 NOAC report, key objectives of the RMO are to “develop and rollout technologies to move from a paper to an online roadworks licensing system”. To achieve this goal, the RMO has developed the Nationalised Centralised Monthly Billing (NCMB) service for road openings for use in Local Authorities and other approved Authorities.

This audit assessed the work processes involved in the delivery of the NCMB service and identified any potential risks in relation to the effectiveness of the programme. The audit placed particular emphasis on several key areas:

- Researching relevant Legislation and guidance documents
- Reviewing the processes and procedures in place in relation to the service
- The interpretation relevant statistics and data from the various systems in use on both a local and national level

4. Objectives

The main audit objective is to carry out an assessment of the Nationalised Centralised Monthly Billing system with particular focus on:

- Assessment of the legislation, policies and procedures in place in relation to Road Openings and the NCMB process
- Assess the governance in relation to the process
- Identify any potential risks and make recommendations for remedying same (if applicable)

5. Relevant Legislation, Guidance and Circulars

- Road Traffic Act 1961 (as amended)
- Local Government Act 2001(as amended)
- The Safety, Health and Welfare at Work Act 2005
- Safety, Health and Welfare at Work (Construction) Regulations (2013)
- Guidelines for Managing openings in Public Roads – Department of Tourism, Transport and Sport 2017 (known as “the purple book”)
- Mobile Phone & Broadband Taskforce Implementation Review 2018 – Government of Ireland
- MRL Road Licensing Procedures 2018

6. Methodology

The audit will be approached as follows:

- Meetings and discussions were held with relevant staff from the RMO and Finance Directorate
- Assessment of the legislation and regulations in relation to road openings
- Examination of the policies and procedures in place for NCMB
- Interrogation of the Agresso and MRL systems
- Issuing of final audit report

7. Background

Traditionally, Local Authorities charged varying amounts of money for road openings based on different criteria. The Guidelines on Managing Opening, Backfilling and Reinstatement of Openings in Public Roads (aka the purple book) was first published in 2002 by the Department of Transport, Tourism & Sport (DTTAS).

A revision was first proposed in 2014 and between 2015 and 2017; extensive engagement took place to ensure the revised version took on board the specific needs of the various Utilities (e.g., gas, electricity, water, Telecoms) and Local Authorities. In April 2017 new guidelines were published.

The new guidelines set out that there would be a Joint Utility/Road Authority Working/User Forum (JULA). The working group was made up of 13 members for the various stakeholders including LAs, the RMO, Transport Infrastructure Ireland (TII), the LGMA and the various utilities.

The forum focused on several key areas:

- Strengthening the working relationships between LAs and utilities
- Providing a forum for user feedback
- Promoting dialogue between applicants/licensing authorities
- To promote and monitor of the implementation of “the purple book” guidelines
- Monitoring operational issues
- Identifying matters for key stakeholders to consider (e.g., guidelines, training and charges/deposits)

Towards the end of 2017 JULA proposed a standardised methodology for charges and a standard application fee in accordance with the framework set out by the DTTAS.

The JULA proposal focused on three main areas of charges for standardisation:

- Application Fee – agreed in 2018
- Long Term Impact Charge (LTI) – policy and principles agreed in 2018
- Deposits and the creation of a national Deposit framework for utilities – agreed in 2018 and implemented in January 2019

Based on this information, the RMO put in place a new structure for charges, focusing on different licence types.

Application Charges were to be standardised at €250. LTI charges were to be standardised between €15/m² and €35/m² dependent on location, material and environment (Urban vs. Rural) with verges at €0/m². A deposit of €85/m² was to be introduced globally subject to creating a maximum deposit framework for utilities and having a transitional period.

Following discussion with the various utilities this approach was revised and the following process agreed:

- a) Standardise application charges at €250 for a T2 licence and €150 for both T3 and T4 licences from March 2018.
- b) Convert existing charges in use in authorities to the framework in the Guidelines from March. Translated rates can be monitored for any anomalies. Over a period of time an exercise was to be undertaken to establish mean/average rates across the sector and then implement these as the national rates.
- c) CCMA would finalise a deposit scheme for September in consultation with utilities and introduce this from 01/01/2019.

The companies involved in the application for Road Opening Licences in Ireland currently are:

1. [REDACTED]
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. [REDACTED]
7. [REDACTED]
8. [REDACTED]
9. Private Contractors

* [REDACTED] are not currently part of the NCMB process. It is envisaged that the company signs up in Q3 2022 in a phased implementation. The company is part of the National Deposit Scheme and are granted licences on the MRL. RMO managers are meeting with [REDACTED] in advance of this date to further progress implementation.

8. Road Opening Licencing Procedures

Local Authorities are empowered to issue directions/licences to organisations or individuals carrying out openings on public roads as part of their work duties. For telecommunications works on national roads TII is the licencing authority. In all other cases the licencing authority is the relevant Local Authority and an application must be made to same.

When granting a Road Opening Licence, the Local Authority must consider:

- How the work is to be carried out
- The need to minimise disruption caused by the roadworks involved
- The time periods involved for the works to be carried out
- The urgency of the need to carry out the works
- Standards for temporary and permanent reinstatement of the road surface
- Provision of security for satisfactory completion of the works
- Costs in relation to the licence/direction to be granted

All bodies/organisations carrying out road opening works must ensure that there is proper insurance in place in advance of the works and the Local Authority/TII must also be indemnified under the policy.

Comment from RMO:

"Insurance policies for all applicant organisations are approved by the RMO both at registration and renewal stage. Within all insurance policies, there is an indemnification for all Local Authorities".

8.1 MapRoad Roadworks Licensing System

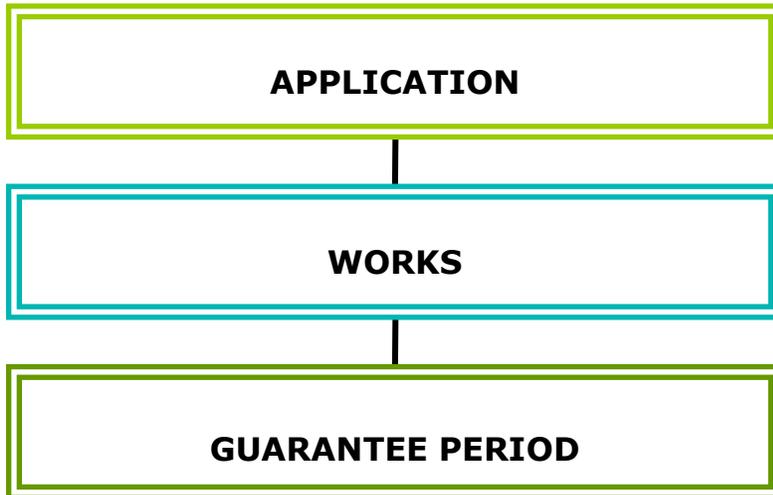
MapRoad Roadworks Licensing (MRL) is the national on-line system for managing road opening licensing, the system has been in use since 2015. Registration and access to the system is through the RMO website and MRL is supported by the RMO on behalf of all Local Authorities and TII.

The guidelines for using MRL are set out in "the purple book" which states that the system should be used by all stakeholders for road openings, including:

- Road authorities/TII
- Utility companies
- Contractors
- Other bodies involved in the processing of some licences
- An Garda Síochána

The MRL system can also be used for managing and co-ordinating financial transactions as well as monitoring and tracking the performance of applicants and licencing authorities.

8.2 The Licence Process



All works relating to the licence are recorded using a unique licence number. This includes the initial application details and cost estimates, all works activities, and any intervention works required during the guarantee period. All communications and actions are recorded in MRL under the licence number.

1. Application Stage: During this stage the applicant will supply sufficient information to the road authority/TII in order to have the application considered. This information includes:
 - Purpose of excavation
 - Location
 - Programme of works
 - Proposed traffic management system

The Local Authority/TII may request edits to the information or further information in order to approve the application.

2. Works Stage: Once a licence has been granted, the applicant becomes the Licence Holder. The works programme notification must be submitted for a T2 if this has not been submitted previously. As works progress, the Licence Holder will be obliged to update the road authority/TII with changes to the work programme as required. At the end of the works stage the Licence Holder will submit notification ("T5" licence) to confirm completion of the licenced works. The works may be subject to a post works inspection by the road authority/TII within 90 days of the works completion.
3. Guarantee Period: Unless otherwise decided by the road authority/TII, all works relating to a road opening including are the responsibility of the Licence Holder.

One of the conditions on each licence requires the Licence Holder to maintain the reinstatement during the guarantee period, and also to comply with directions issued by the road authority/TII.

The road authority/TII has the ability to issue a direction at all times which must be complied with by the Licence Holder.

8.3 Road Licence types

Road openings vary in size, complexity and location which have different impacts on the actual the road and traffic using it. In order to manage the effect on the road asset and traffic, road authorities use a "T" system of licensing to ensure the proposed works are managed in the correct manner. Smaller works of lower impact require less processing by road authorities/TII than larger, more complex works.

"T Model" Licence process

Licence type	Description
T1	This is notification of intent to perform works of high impact due to extent or complexity. The notification allows adequate time for consultation, determination, co-ordination and joint planning between applicant and authority in relation to licence(s).
T2	This is an application to carry out works of moderate impact due to the location, extent, amount or duration of the work.
T3	An application to carry out works of low impact due to the location, extent, amount or duration of the work.
T4	A notification of emergency works, notification must occur at the time or as soon as possible after commencement.
T5	A notification of completion of works carried out under T2, T3 or T4.

8.4 Road Licence Charges

The overall charge for a road licence is composed of a number of different items:

Charge	Stage where charge is applied
1. Application Charge <ul style="list-style-type: none"> • General administration charge • RMO administration charge • Core inspection charge 	Application
2. Road Asset Charge <ul style="list-style-type: none"> (a) Reinstatement deposit (refundable subject to satisfactory inspection) (b) Road traffic asset deposit (refundable subject to satisfactory inspection) (c) Specific Charge – charges where LA/TII are required to carry out works (d) Long-Term Impact (LTI) Charge – costs in connection with works reducing lifespan of the road 	Subject to re-measure at T5 (Completion of works)
3. Additional Inspection Charge Where additional inspections during the works or guarantee period are required in addition to the core inspections.	T5 (Completion of works)
Total Charge = 1+2+3	

1. Application Charge – An application charge applies to all applications; the charge contributes to the cost of administering and recording the proposed works along with determining appropriate conditions applied to the licence.
2. Road Asset Charge – This charge is a combination of a number of individual elements, some of which are refundable. The reinstatement deposit and Long-Term Impact charge are generally applicable at all times with other charges applicable as required.
3. Additional Inspection Charge – Additional licence specific inspection charges may apply for each licence extension of time or additional monitoring requirements during the works/completion stage due to non-compliance or underperformance.

9. Findings

9.1 Project Implementation

Following several meetings and correspondence between key stakeholders: the CCMA, Irish Business and Employers Confederation (IBEC), individual utilities, the Department of the Environment, Climate and Communication and the Department of Housing, Local Government and Heritage; the following approach was adopted for the implementation of the new system:

Charge	Approach	Timeline
Application fees	Standardisation of fees nationally: <ul style="list-style-type: none"> • €250 for T2 • €150 for T3 and T4 	March 2018
Long Term Impact charges (LTIs)	<ul style="list-style-type: none"> • Each LA converted its existing charges into the format set out in the Guidelines • The charges were uploaded onto the MapRoad or existing system 	March 2018
Deposits	The sector developed a national deposit scheme for Utility Companies over 3-6 months subject to legal agreements in relation to administration. In the interim, existing arrangements continued to apply.	September 2018

- Each Local Authority was asked to the MapRoad Settings Tables for reinstatement charges and long-term impact charges on the MRL system.
- The RMO provided draft populated tables based on this information for each LA's approval.
- When the table was approved by the relevant LA the RMO set these charges on MapRoad for the authority.

9.1.1 General guidance for Local Authorities

All Local Authorities agreed the following principles in relation to the running of the scheme:

1. The conversion process should as far as possible not result in an increase in charges from current rates.
2. Where deposits were applied previously these may continue but new deposit schemes should not be introduced.
3. Local Authorities may continue to charge specific charges in accordance with the Guidelines.
4. Some existing charges in place in some authorities (e.g., monthly supervision charges, chamber or kerb charges) should be discontinued.
5. Charges that differentiate between utilities should be discontinued.

The RMO remained in contact with each Local Authority to assist in the process and there was an email address on the website (contact@rmo.ie) for further queries.

9.1.2 MRL Applications by Local Authorities

Year	No. of applications
2017	14,519
2018	26,594
2019	28,167
2020	26,841
2021	31,330
Total	127,451

9.2 Billing Process

Prior to the introduction of National Centralised Monthly Billing (NCMB), it was necessary to move all Local Authorities to billing utilities retrospectively. The RMO prepared monthly billing files for each L.A., so they had the capacity to invoice the utilities on a monthly basis.

Billing files included only billing events on licences applied for after the relevant commencement date in each Local Authority. In cases where applications were made prior to the commencement date, Local Authorities continue to invoice for billing events on those licences. Implementation was carried out on a phased basis commencing in South Dublin County Council in 2017.

In the case of [REDACTED], the commencement dates are more complex with monthly billing phased in on a per-programme basis. A separate record of those commencement dates is kept.

As per the agreement with [REDACTED] in Cork County Council prepares an individual Billing Calculator on each of the [REDACTED] Programmes:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Offaly and Wicklow County Councils currently bill [REDACTED] separately, these councils have historical issues with [REDACTED]. The RMO are working with these councils to help resolve the issues and facilitate the transfer to NCMB. It is anticipated that this process will be completed in 2022. It should be noted that these issues don't affect those authorities/utilities already implemented on centralised billing.

Since the new licensing system was introduced the business process has undergone several changes and improvements:

- Originally, billing files took up to 11 days to prepare
- Streamlining was introduced with the introduction of the Billing Calculators when a 2-way checking system was implemented and turnaround times reduced processing days
- Use of the Feature Manipulation Engine (FME) system was then introduced by the Data Analyst in the RMO providing a 3-way check and reducing the turnaround and checking process to 1-2 days
- A check was carried out at year end to compare the annual outcome with those in the monthly billing files

9.2.1 Billing File Preparation and Invoicing

Role	Base	Responsibilities
[REDACTED]	Cork City	Overseeing billing process
[REDACTED]	Donegal – Milford PSC	Preparation of Agresso Load File
[REDACTED]	Cork - Skibbereen	Preparation of Utility Backup Billing Calculators
[REDACTED]	Cork - Skibbereen	Preparation of LA support file for utility billing and day-to-day centralised billing file queries
[REDACTED] [REDACTED]	Donegal – Milford PSC	Invoicing and Collection of charges from Utilities Distribution of income to Authorities

The monthly billing process has two main elements:

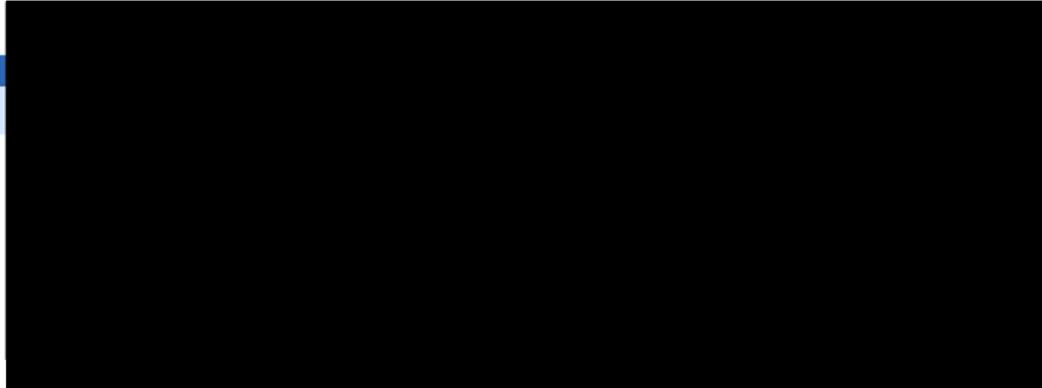
1. Preparation of a billing load file which is loaded to the Agresso system in Donegal County Council to generate the invoices
2. Invoicing

A monthly team meeting takes place involving the [REDACTED] [REDACTED] to clarify inputs and required actions for the upcoming billing run. The team also confirm the engagement required to agree and sign off on the billing figures and files prior to handover to the invoicing section.

A fees report is run on the MRL system on the first day of each month by the Staff Officer in the Skibbereen office.

Preparation of the billing load file is then carried out and is subject to a three-way checking process prior to upload:

1. The Billing Load File is prepared by [REDACTED] in the Milford Office using FME:
 - A billing report is produced from MRL for each utility. The report is run between the first and last date of the previous month.



- The start dates for monthly billing for each authority/ utility are used
 - The loadsheet includes data such as the licence code, date of application, utility information and works details
2. A Billing Calculator is prepared by the Road Licensing Unit in Skibbereen for each utility invoice. This is carried out in Excel and allows the utility to interrogate the billing data. To prepare these files:
- A billing report is taken by the Road Licensing Unit from MRL for each utility. The report is run between the first and last date of the previous month.
 - The start dates for monthly billing for each authority/utility are used.
3. Individual billing files are run by the Road Licensing Unit from MRL for each utility and LA. Monthly billing start dates are used to remove billing events that relate to pre-monthly billing licences.

A meeting is then held between the [REDACTED] and the team to compare results from all three processes. A summary sheet is prepared and signed off on and [REDACTED] load file is sent to Central Invoice Management team in Donegal County Council to upload to Agresso for invoicing. A summary table of the agreed billing figures is included to allow the invoicing team to cross check the Agresso- generated invoices prior to posting.

It should be noted that if there is a delay in a utility processing their monthly payment to the RMO, this affects the processing of payments to the various LAs. There was a recent instance of this in Q1 2022 due to a delay [REDACTED].

9.2.2 Monthly Billing Totals by Utility 2021

Utility	Total (€)
█	2,654,678.96
█	56,739.05
* █	1,152,674.59
█	450,057.96
█	327,415.29
█	161,415.29
█	321,351.02
Total	5,124,332.16

* █

Comment from RMO:

█ *not included from January-March 2021 as they had an existing reducing lump sum they wished to use before commencing on NCMB with* █.

As can be seen from the data provided, November was the busiest month with €558,969 being billed by LA's, the lowest monthly amount occurred June with €358,276 invoiced.

From 1st January-31st March 2022, just over €2,012,207 has been billed to utilities. This constitutes a significant increase on the same period for 2021 (€1,256,650.02).

9.2.3 Billing File Fields

1. Application charge – all licence applications on MRL will generate a fee in accordance with the licence type.
2. Specific charges - charges arise when a Local Authority apply a fee to a specific condition. Charges and conditions are visible to the applicant and can either be agreed or rejected.

3. LTI Charge - this charge is calculated based on the reinstatement dimensions and details entered by the applicant as part of the T5 notification.
4. Application fee adjustment – this charge can apply in 2 difference cases:
 - a) when the licence type is changed from T3 to T2 via an edit request during Processing or Conditioning.
 - b) if the aggregate reinstatement area exceeds the area limit for a T3 licence. This event can occur during T5 Sign-off or Guarantee Period (via an Incorrect Record).
5. Takeover fee - MRL has functionality to allow local authorities to take over the permanent reinstatement of some road openings T5'd as temporary reinstatement.
6. Make site safe fee - The inspections functionality requires the authority to label defects or breaches as one of three severity levels with the highest level being 'Immediate and Serious Hazard'.

9.2.4 Billing Arrears

All bills are paid monthly in arrears, the following principles were agreed with utilities as part of the process:

- Invoices are issued with a breakdown document detailing the relevant licences. All charges have been accepted by the utility on a licence-by-licence basis at the time of each billing event. These are displayed on the MRL system and can be aggregated in a report using the system at any time.
- The RMO billing file details the charges incurred each month per licence for each utility as they become due at each billing event.
- The RMO invoices each utility through DCC for total charges incurred on a monthly basis. This invoice must be paid in full in accordance with payment terms. No partial payments or queries relating to the invoice are accepted by the RMO.
- Should a query be raised in relation to an individual charge, this can be raised at any stage with the relevant authority. Where a fee is to be refunded/reduced/increased this should be carried out through the MRL system.
- Failure to pay in accordance with the agreed terms may result in a requirement for:
 - Advance payment for future licences
 - Reduced MRL functionality including Automatic T3 licences

The RMO has proposed the following escalation procedures to help strengthen the billing process:

1. Upon issuing the email, a reminder email will be sent on days 15 and 25 after issue.
2. Payments should be checked regularly on Agresso and a confirmation of payment issued to the utility.
3. Utility point of contact for Centralised Billing will be notified the next working day after payment has not been received confirming that the utility has seven days to arrange payment in full. Utility point of contact (for all road licensing issues) will also be notified when this occurs.
4. A reminder notice shall be sent 5 days after the issuing of the first notice.
5. If no payment is made after the expiry of seven days automatic issuing of T3 licenses will cease.
6. RMO to inform Co-Chairs of JULA Group of ongoing actions.
7. If the invoice remains unpaid after 14 days after the issuing of the first notice, Centralised Billing facility will cease, and Utilities will be required to pay for licences in advance directly to each LA.
8. If the invoice remains unpaid after 25 days, access to MRL will cease and each application shall be made by paper. A recommendation to each LA will also issue confirming that a direction should issue to cease all work for any valid licence that payment has not been received for.
9. At any stage in the process the RMO will review the recommencement of centralised billing once payment has been made in full. This will require a meeting between Senior Management in the Utility and RMO and agreement to ongoing compliance. This may require communication with LAs/JULA Reps in advance, in the event that manual actions or processes are temporarily implemented. Any paper-based applications will be inputted into MRL prior to recommencing of centralised billing.

Where a part payment has been made the utility will be given seven days to pay the remainder. Where the remaining payment has not been made after seven days the RMO will submit recommendation along with a Journal Transfer, requesting money to be transferred from the Customer account to the Supplier account and payment will be returned to Utility in the next payment run.

These steps will be made in parallel with the escalation process described previously. The proposed escalation process is due to be discussed and agreed with JULA before being finalised.

9.3 Training

One of the main issues identified in the roll out of monthly billing in Dublin City Council was the need for training in addition to the software solutions and business process changes which had been implemented. The JULA Working Group has a number of key roles in providing information and oversight in relation to the licencing process, one of these roles is identifying areas where training is required.

Section 5.4 of the Road Opening guidelines requires that all licence holders on the MRL system undertake to have relevant personnel undertake basic and advanced level trench reinstatement training as appropriate, these courses are available through the Local Authority Services National Training Group (LASNTG). These training details must be provided to the RMO along with insurance details when utilities are renewing their licences.

The RMO are currently introducing standard licence conditions. These include a condition that: *"No roadworks shall be carried out unless the roadworks are supervised by a person who has been issued with a Road Opening & Reinstatement Basic Level Registration Card"*. The most recent Department of Transport circular (RW17 of 2021) makes it mandatory for all organisations to be compliant from 1st January 2022.

The RMO NOW requires all applicant organisations to provide evidence that they have staff trained in Basic Trench Reinstatement. By the end of 2022, it is envisaged that all organisations on MRL will have provided this information. Stranorlar Regional Training Centre is a member of the LASNTG and provided the following details of attendees at the trench reinstatement courses over the past 2 years:

- Basic - 405
- Advanced – 144

It should be noted that training was delayed in some instances due to Covid-19 workplace protocols.

Although some staff involved in the billing process confirmed that they had completed training courses, there is no formal guidance document in place for administrative staff in relation to the billing process. However, training on the MRL system for LA staff is provided through a variety of sources:

- User Videos/ User Guides available through the RMO Website
- The RMO also has a large number of task specific PowerPoint presentations available on the website and are distributed by the support office in the event of a user query
- There is user support email address (support@mrl.jitbit.com) which is manned from 9am to 5pm
- Dedicated online Teams sessions are organised on request by staff or authorities

- All MRL functionality releases are followed with a user update describing the added functionality
- LA licensing billing users can also avail of support from the Cork and Donegal RMO offices

10. Conclusions & Recommendations

It is recommended that the findings in this report be considered, and that appropriate remedial action be taken where necessary.

10.1 Project Implementation

Conclusion

The implementation of the NCMB process has standardised licence application fees and this more automated system has vastly reduced the amount of "billing events" for each road opening licence from 90,000-100,000 per year to approximately 150 per year. This has improved the effectiveness of the licensing process and ensured more efficient use of resources.

Currently there are 30 out of 31 LAs signed up to the NCMB process with Dublin City Council being the only exception. [REDACTED]

There are 7 Utility companies currently availing of monthly billing with ESB Networks due to sign up in Q3 2022.

Recommendation

It is recommended that the RMO continue to liaise with the CCMA and all relevant stakeholders with a view to having all LAs and Utilities signed up to the NCMB process. This will enable all parties to avail a more effective and efficient approach to the road opening licence process throughout the country.

10.2 The Licence Process

Conclusion

Both the RMO and the "Purple Book" recommend that inspections are carried out at the "T5" stage of the licensing process to ensure adherence to the licensing guidelines. The selection of T5s to be inspected is solely a matter for each LA. The RMO encourages authorities to complete a minimum level of inspections across all utilities. However, there is significant variability across the LAs varying from 0% to near 100% in some cases.

Recommendation

It is recommended that the RMO provides a monthly report to all relevant stakeholders in relation to inspections carried out at the T5 stage. Each LA should follow up on inspections in their own area and outline reasons where there is a lack of compliance to the guidelines where applicable.

10.3 Billing Process

Conclusions

The number of road opening licence applications has averaged approximately 25,490 over the past 5 years. Since the introduction of NCMB, more than €5m was billed to Utilities by LAs in 2021, this total is likely to be exceeded in 2022 with almost 50% of the overall amount billed by Q1 this year.

Recommendations

Given the volume of applications and the billing amounts currently being processed by the RMO and Central Invoice Matching team, it is recommended that the workforce plan for both areas is reviewed on a regular basis to ensure that appropriate resources are in place to ensure proper governance of the process and that payments are made in a timely manner.

10.4 Billing Arrears

Conclusion

There is a high level of oversight throughout the billing process with in-depth checks carried out at various points. The billing report is subject to a three-way check before being uploaded and there are further checks carried out before the file is sent to the Central Invoice Matching team in DCC for final payment.

However, the fact that a delay in payments being processed by utilities affects the payment of licence fees to the various LAs is one area which may warrant further analysis.

Recommendation

It is recommended that the escalation process for late/non-payment of invoices by utilities be discussed and agreed with relevant stakeholders as soon as possible. This will act as a deterrent to non-compliance of the guidelines by the various utilities.

10.5 Training

Conclusions

From January 2022, the Department of Transport requires that all relevant personnel in the Utility Companies must complete the LASNTG trench reinstatement courses.

Regular updates to processes are available on the MRL system, there are also video tutorials and email support through the RMO website. However, it is unclear if there is formal training documentation available to administrative staff which would help with "troubleshooting" issues as they arise.

Recommendations

It is recommended that the RMO keep a central repository of training records for relevant staff, this should be updated accordingly. This will help expedite the granting of licences and ensure adherence to the DoT and RMO guidelines. This repository should also adhere to relevant GDPR guidelines.

It is also recommended that the RMO produce a policies and procedures/training document in relation to the billing process to help address issues as they arise.

Acknowledgement

I would like to acknowledge the assistance and co-operation of staff from the RMO in both the Milford and Cork offices during this audit. Their help and prompt responses to queries ensured that this audit was completed in a timely manner.

Sean Canning

**Sean Canning,
A/INTERNAL AUDITOR**

Appendix 1 – Circulation List

27/06/2022

Final Report sent to:

[Redacted]

Copied to:

[Redacted]

13/06/2022

Draft Report sent to:

[Redacted]

Copied to:

[Redacted]

Appendix 2 – Audit Classification

Level	Definition
1. Substantial	Evaluation Opinion: <ul style="list-style-type: none"> - There is a robust system of risk management, control and governance - The systems in place should ensure that objectives are fully achieved - The control processes tested are being applied consistently
2. Adequate	Evaluation Opinion: <ul style="list-style-type: none"> - There is a generally adequate system of risk management, control and governance - The systems in place should ensure that essential objectives are fully achieved - The control processes tested are, in general, being applied consistently - However, there are some weaknesses in control that are placing some objectives at risk. There is a risk that some objectives may not be fully achieved - Some improvements are required to enhance the adequacy and/or effectiveness of risk management, control and governance
3. Limited	Evaluation Opinion: <ul style="list-style-type: none"> - There is a weak system of risk management, control and governance - There is considerable risk that objectives will not be achieved - The control processes that exist are not being applied consistently - There are some significant weaknesses in control in a number of areas - Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance
4. Unsatisfactory	Evaluation Opinion: <ul style="list-style-type: none"> - There is an inadequate system of risk management, control and governance - The system has failed or there is a real and substantial risk that the system will fail to meet its objectives - Systems/processes are open to significant error or abuse - Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance
5. No Assurance	Evaluation Opinion: <ul style="list-style-type: none"> - Internal Audit has been unable to form an opinion on the system of risk management, control and governance - Internal Audit has been unable to access or has been prevented from accessing essential information required to form an opinion - Internal Audit has not received the cooperation of staff/management

Appendix 3 – IA22/03 RMO Nationalised Centralised Monthly Billing - Summary Recommendations

	<i>Recommendations</i>	<i>Response from Directorate</i>	<i>Follow-up Actions undertaken by</i>	<i>Timeline</i>
1	<p><u>10.1 Project Implementation</u></p> <p>It is recommended that the RMO continue to liaise with the CCMA and all relevant stakeholders with a view to having all LAs and Utilities signed up to the NCMB process.</p>	<p>All LAs have signed up to NCMB. The process is designed around the largest utilities which account for more than 85% of all applications and who are part of the national deposit scheme. This includes [REDACTED]</p>	RMO	Closed
2	<p><u>10.2 The Licence Process</u></p> <p>It is recommended that the RMO provides a monthly report to all relevant stakeholders in relation to inspections carried out at the T5 stage. Each LA should follow up on inspections in their own area and outline reasons where there is a lack of compliance to the guidelines where applicable.</p>	<p>It has been agreed that inspections carried out at T5 stage shall be a NOAC indicator from 2024 onwards.</p> <p>Statistics in relation to inspections at T5 stage will be included in reports to LA from the RMO from this year onwards.</p>	RMO	Closed
3	<p><u>10.3 Billing Process</u></p> <p>It is recommended that the workforce plan for the RMO and CIM teams is reviewed on a regular basis to ensure that appropriate resources are in place to ensure proper governance of the process and that payments are made in a timely manner.</p>	<p>The MapRoad MRL software is scalable and will manage a larger number of transactions from each utility using the system. The total number of invoices is not expected to significantly increase. Notwithstanding this Donegal County Council will continue to monitor and have in place the necessary resources.</p>	RMO	Closed

4	<p><u>10.4 Billing Arrears</u></p> <p>It is recommended that the escalation process for late/non-payment of invoices by utilities be discussed and agreed with relevant stakeholders as soon as possible.</p>	<p>A process has been agreed with stakeholders and approved by the RMO Board.</p>	RMO	Closed
5	<p><u>10.5 Training</u></p> <p>It is recommended that the RMO keep a central repository of training records for relevant staff, this should be updated accordingly. This repository should also adhere to relevant GDPR guidelines.</p> <p>It is also recommended that the RMO produce a policies and procedures/training document in relation to the billing process to help address issues as they arise.</p>	<p>A Policies and Procedures training document has been produced and is made available to all new users as part of the registration process.</p>	RMO	Closed

Appendix 4 – Utility Totals 2021

Jan - Jun	January	February	March	April	May	June
█	€244,307.65	€185,769.10	€212,366.47	€204,992.11	€208,182.13	€198,120.41
█*	€4,940.23	€2,220.00	€7,400.00	€2,048.53	€6,417.00	€4,050.00
█	€114,140.42	€111,245.32	€132,178.22	€124,563.28	€97,127.57	€76,330.64
█	€28,630.00	€36,881.22	€53,893.85	€21,230.00	€36,513.85	€51,386.11
█	€30,886.39	€17,088.85	€24,362.55	€24,945.16	€25,472.30	€18,741.32
█	€20,478.22	€15,156.34	€14,705.19	€11,200.13	€8,090.90	€9,647.80
█						
Monthly Total	€443,382.91	€368,360.83	€444,906.28	€388,979.21	€381,803.75	€358,276.28

Jul - Dec	July	August	September	October	November	December	Totals
█	€275,758.83	€294,823.47	€219,035.27	€191,980.25	€230,343.70	€188,999.57	€2,654,678.96
█*	€4,934.58	€6,271.25	€3,440.00	€5,500.00	€5,472.50	€4,044.96	€56,739.05
█	€74,277.85	€72,556.94	€66,984.23	€70,643.25	€121,347.12	€91,279.75	€1,152,674.59
█	€26,624.54	€36,757.76	€47,047.75	€50,895.07	€25,986.72	€34,211.09	€450,057.96
█	€33,243.49	€25,381.00	€30,524.32	€31,452.61	€22,665.00	€42,652.30	€327,415.29
█	€10,332.17	€13,797.61	€11,930.83	€17,753.49	€15,107.45	€13,215.16	€161,415.29
█		€2,770.00	€78,962.26	€22,187.34	€138,046.85	€79,384.57	€321,351.02
Monthly Total	€425,171.46	€452,358.03	€457,924.66	€390,412.01	€558,969.34	€453,787.40	€5,124,332.16

* █