

The logo for the Road Safety Authority (RSA) is an orange square with the letters 'RSA' in white, positioned in the top right corner of the cover.

RSA

***National Car Testing Service
(NCTS)***

2018 Annual Review

Final Report

Údarás Um Shábháilteacht Ar Bhóithre
Road Safety Authority

Table of Contents

1. Introduction & 2018 overview	3
2. Operational audit	10
3. Observed test inspections	15
4. Customer satisfaction	17
5. Complaints & appeals	1919
6. Performance management	21
7. Financial matters	23

This report was developed by Deloitte for the Road Safety Authority ("RSA") to inform on operations of the National Car Testing Service ("NCTS"). Its contents are strictly confidential. The performance analysis presented herein is based on provided inputs from: Applus Car Testing Services (ACTS); and the Technical Services Provider (TSP), the Automobile Association (AA).

The Report has been developed using data and assumptions from a variety of sources. Deloitte has not sought to establish the reliability of those sources or verified the information so provided, nor has the Report been audited by Deloitte. Accordingly no representation or warranty of any kind (whether express or implied) is given by Deloitte as to the accuracy of the Report or any output from it. Moreover the Report does not absolve any recipient from conducting its own audit in order to verify ACTS performance. The calculations based in this report are based on instructions received as part of the 2017 Supervisory Services Contractor (SSC) transition process.

Deloitte accepts no duty of care to any person for the development of the Report, its use, nor in respect of any output from it. Accordingly, regardless of the form of action, whether in contract, tort or otherwise, and to the extent permitted by applicable law, Deloitte accepts no liability of any kind and disclaims all responsibility for the consequences of any person acting or refraining to act in reliance on the Report and/or its output or for any decisions made or not made which are based upon such Report and/or its output.

The matters raised in this report are only those which came to our attention during the preparation of this Report, and are not necessarily a comprehensive statement of all matters that exist, or all actions that might be taken. This report is made solely to the RSA. We do not accept or assume responsibility to anyone other than the RSA.

1. Introduction & 2018 overview

Introduction

This report sets out a summary of the National Car Testing Service (NCTS) operations in 2018.

Periodic roadworthiness testing of passenger cars and commercial vehicles is mandatory in all Member States of the European Union, in accordance with Directive 2014/45/EU.

The NCTS was introduced in Ireland in January 2000 as part of an EU Directive that makes car testing compulsory in all member states. It is aimed primarily at improving road safety and enhancing environmental protection by providing an independent assessment of the roadworthiness and emissions level of vehicles at regular intervals throughout their life. Throughout 2018 the NCTS was conducted at 47 purpose built test centres nationwide.

Applus Car Testing Service Ltd (ACTS), a member of the Applus+ Group, operates the NCTS in Ireland, having been appointed following a competitive tendering process in 2008. ACTS operates the NCTS under a Project Agreement with the Road Safety Authority (RSA) by which it has been granted the exclusive right to provide the service for 10 years until the end of 2019. During 2018, this contract was extended for a six month period until 26 June 2020.

The performance of ACTS is monitored in line with agreed and documented performance standards which have been set out in the Project Agreement. The performance of ACTS is monitored on behalf of the RSA by the Supervisory Services Contractor (SSC) Deloitte, and the Technical Services Provider (TSP) the Automobile Association.

2018 Performance Summary

In 2018 ACTS achieved the required standard for all key performance measures and no financial adjustments were applied in the period. Please see **Section 6** (performance management) of this report for more detail in this regard.

A high-level summary of 2018 NCT performance indicates:

1. In accordance with EU Directive 2014/45, a number of changes to the NCT came into force in 2018. The purpose of these changes was to unify vehicle inspection across the EU. These included:
 - Mutual recognition of the unexpired term of roadworthiness certificates issued by other EU Member States; and
 - Categorization of vehicle deficiencies into: minor, major, and dangerous.

Other changes introduced were:

- Amendments to treatment of vintage vehicles; and
- Amendments to treatment of vehicles which transfer from Small Public Service Vehicles (SPSV) to private.

The NCT manual was updated to reflect these changes. NCT vehicle inspector training relating to EU directive 2014/45 was delivered in Q3 2018.

2. 2018 activity levels across the service were marginally lower than those seen in 2017 as can be seen below.

Table 1.1: Test volumes 2016 – 2018

	2016	2017	2018
Full test	1,465,702	1,355,546	1,343,760
Lane re-test	497,163	448,387	444,628
Non lane re-test	262,335	239,950	236,135

Total	2,225,200	2,043,883	2,024,523
--------------	-----------	-----------	-----------

3. Pass rates across all categories of NCT tests conducted increased marginally in 2018 as per the **table 1.2** below.

Table 1.2: Pass rates 2016 – 2018

	2016	2017	2018
Full test (%)	47.95	49.20	49.25
Lane re-test (%)	86.20	86.89	87.65
Non lane re-test (%)	99.45	99.45	99.50

4. NCT test accuracy for 2018 was 99.33% (see **Section 3**).
5. NCT customer satisfaction in 2018, measured via the Customer Performance Index (CPI) was 92.52% (see **Section 4**).
6. The NCT service was severely impacted by Storm Emma, in late February and early March 2018, resulting in the network being closed for a number of days.
7. The General Data Protection Regulation (GDPR) came into effect in 2018.
- ACTS, as part of the wider Applus+ Group, undertook a General Data Protection Regulation (GDPR) implementation project.

2018 NCT test volumes overview

A monthly analysis of the throughput, based on full-tests, of vehicles and pass / fail rates for the NCT in the period January 2017 – December 2018 is presented below in **Figure 1.1**.

The axis on the left details the throughput of vehicles, the axis on the right details pass rates.

Figure 1.1: 2017 – 2018 throughput and pass rates

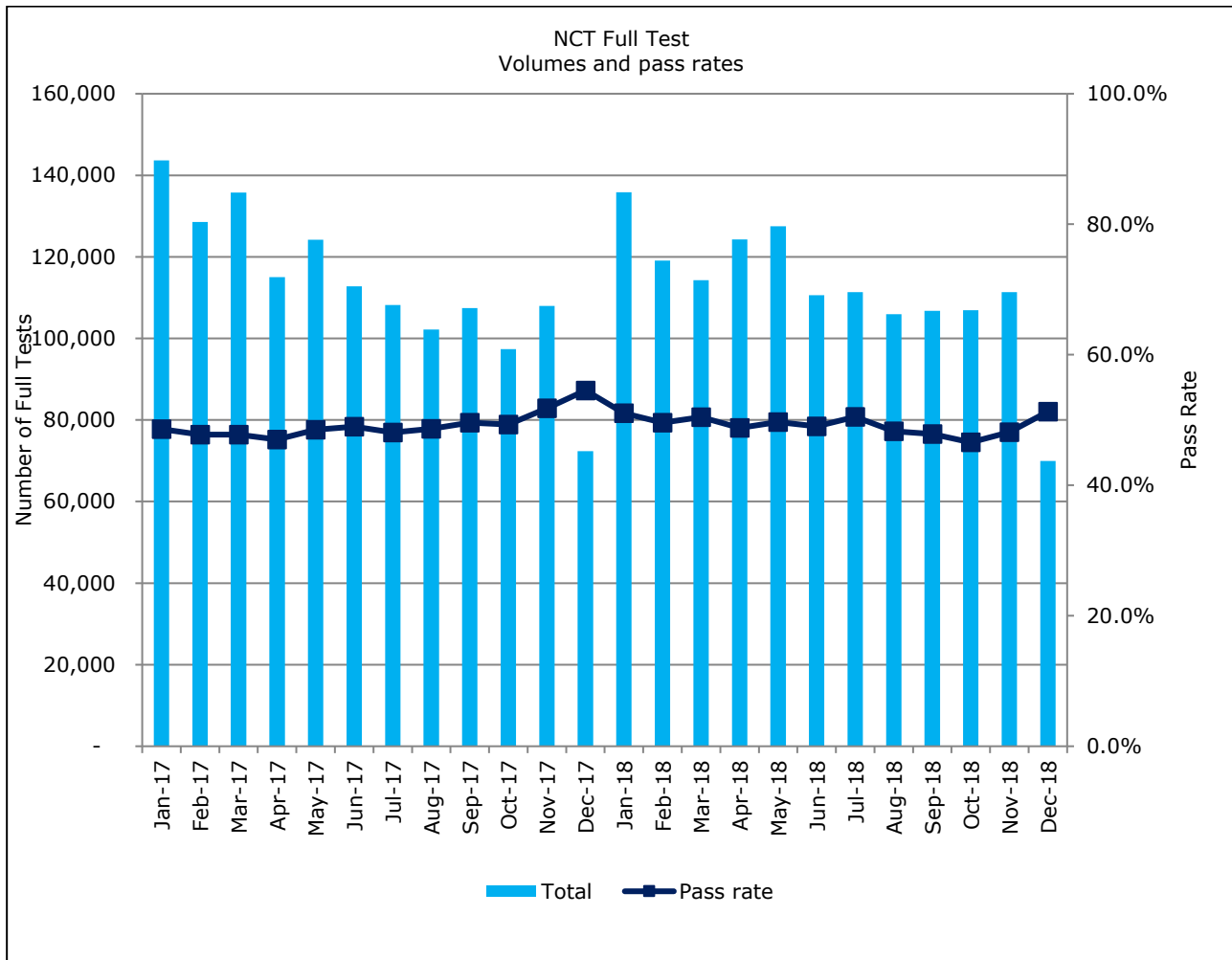


Table 1.3 below sets out a high-level annual summary of NCT activity levels and test outcomes for 2018.

	Pass	Pass advisory	Pass – Pending Recheck ¹	Fail / refusal	Visual fail	Fail / dangerous	Visual fail dangerous	Total
Full tests	466,141	182,144	13,461	442,553	202,273	23,801	13,390	1,343,760
	34.69%	13.55%	1.00%	32.93%	15.05%	1.77%	1.00%	100%
Lane re-test	267,599	119,788	2,344	41,701	11,655	1,198	343	444,628
	60.18%	26.94%	0.53%	9.38%	2.62%	0.27%	0.08%	100%
Non lane re-test	153,882	80,846	225	-	1,057	-	125	236,135
	65.17%	34.24%	0.09%	0.00%	0.45%	0.00%	0.05%	100%

¹ This figure previously referred to non-presentation of ID. Pass pending recheck included instances where no ID was provided and pass pending recheck. As such these figures are not directly comparable with previous years.

Table 1.4 below sets out a summary of NCT activity levels, based on full tests, and associated test outcomes on a NCT test centre basis for 2018.

Test centre	Pass		Pass – Pending Recheck*		Fail		Fail dangerous		Total
	No.	%	No.	%	No.	%	No.	%	
Abbeyfeale	8,280	53.98%	178	1.16%	6,529	42.57%	351	2.29%	15,338
Arklow	12,825	48.19%	268	1.01%	12,928	48.58%	592	2.22%	26,613
Athlone	8,402	46.25%	191	1.05%	9,094	50.06%	480	2.64%	18,167
Ballina	8,012	47.04%	166	0.97%	8,264	48.53%	589	3.46%	17,031
Ballinasloe	8,261	52.32%	122	0.77%	6,955	44.05%	450	2.85%	15,788
Cahir	12,871	45.34%	251	0.88%	14,497	51.07%	771	2.72%	28,390
Cahirciveen	1,625	50.08%	29	0.89%	1,514	46.65%	77	2.37%	3,245
Carlow	10,842	41.82%	214	0.83%	14,067	54.27%	801	3.09%	25,924
Carndonagh	3,433	51.00%	65	0.97%	3,037	45.11%	197	2.92%	6,732
Carrick-on-Shannon	5,246	41.76%	114	0.91%	6,815	54.25%	387	3.08%	12,562
Castlerea	5,491	39.47%	135	0.97%	7,854	56.45%	432	3.11%	13,912
Cavan	5,963	39.56%	142	0.94%	8,484	56.29%	483	3.20%	15,072
Charleville	8,086	49.04%	159	0.96%	7,710	46.76%	535	3.24%	16,490
Clifden	1,724	40.83%	49	1.16%	2,304	54.57%	145	3.43%	4,222
Cork-Blarney	20,185	47.63%	429	1.01%	20,686	48.82%	1,078	2.54%	42,378
Cork-Little Island	32,582	50.97%	674	1.05%	28,815	45.08%	1,847	2.89%	63,918
Deansgrange	50,348	55.81%	1,315	1.46%	36,678	40.66%	1,870	2.07%	90,211
Derrybeg	2,221	42.13%	52	0.99%	2,793	52.98%	206	3.91%	5,272
Donegal	5,365	49.37%	103	0.95%	5,166	47.54%	233	2.14%	10,867
Drogheda	17,018	47.63%	308	0.86%	17,282	48.36%	1,123	3.14%	35,731
Dundalk	10,126	47.89%	221	1.05%	10,119	47.86%	677	3.20%	21,143
Ennis	14,350	47.41%	306	1.01%	14,734	48.68%	878	2.90%	30,268
Enniscorthy	17,010	47.87%	331	0.93%	17,153	48.27%	1,039	2.92%	35,533
Fonthill	35,080	42.66%	801	0.97%	43,749	53.20%	2,604	3.17%	82,234
Galway	25,994	48.56%	526	0.98%	25,717	48.04%	1,298	2.42%	53,535
Greenhills (Exit 11,M50)	29,596	46.86%	662	1.05%	31,039	49.14%	1,867	2.96%	63,164
Kells	15,527	47.88%	290	0.89%	15,718	48.46%	896	2.76%	32,431
Kilkenny	15,186	57.13%	238	0.90%	10,545	39.67%	613	2.31%	26,582
Killarney	9,630	52.53%	169	0.92%	8,028	43.79%	507	2.77%	18,334
Letterkenny	9,348	46.47%	208	1.03%	10,031	49.85%	535	2.66%	20,122
Limerick	23,931	48.36%	512	1.03%	23,645	47.78%	1,400	2.83%	49,488

Test centre	Pass		Pass – Pending Recheck*		Fail		Fail dangerous		Total
	No.	%	No.	%	No.	%	No.	%	
Longford	6,466	46.07%	121	0.86%	6,992	49.82%	457	3.26%	14,036
Macroom	8,075	50.24%	143	0.89%	7,405	46.06%	451	2.81%	16,074
Monaghan	5,327	40.43%	135	1.02%	7,216	54.78%	496	3.76%	13,174
Mullingar	9,213	47.53%	172	0.89%	9,486	48.93%	513	2.65%	19,384
Naas	20,578	48.21%	434	1.02%	20,502	48.04%	1,168	2.74%	42,682
Nenagh	10,737	47.25%	192	0.84%	11,032	48.55%	762	3.53%	22,723
Northpoint 1 (Exit 4, M50)	26,732	45.50%	541	0.92%	30,105	51.24%	1,379	2.35%	58,757
Northpoint 2 (Exit 4, M50)	39,508	46.71%	878	1.04%	41,651	49.25%	2,544	3.01%	84,581
Portlaoise	13,202	55.50%	200	0.84%	9,775	41.10%	608	2.56%	23,785
Skibbereen	6,912	44.42%	157	1.01%	8,024	51.56%	469	3.01%	15,562
Sligo	8,842	47.10%	139	0.74%	9,204	49.03%	589	3.14%	18,774
Tralee	10,686	51.08%	225	1.22%	9,384	44.86%	594	2.84%	20,919
Tullamore	10,532	52.64%	179	0.89%	8,794	43.96%	502	2.51%	20,007
Waterford	19,529	52.48%	423	1.13%	16,467	44.11%	916	2.45%	37,335
Westport	9,676	49.04%	129	0.65%	9,531	48.30%	396	2.01%	19,732
Youghal	7,712	49.63%	132	0.85%	7,308	47.04%	386	2.48%	15,538
Total (Full tests only)	648,285	47.82%	13,428	0.97%	644,826	48.38%	37,191	2.84%	1,343,760

Top Component / Vehicle Failure Items

The top failure items recorded in 2018 by:

1. Component / area – top five failure items;
2. Visual fail items – top five failure items; and
3. Equipment items – top five equipment failure items.

Figure 1.2: Top five – component / area failure items – 2018

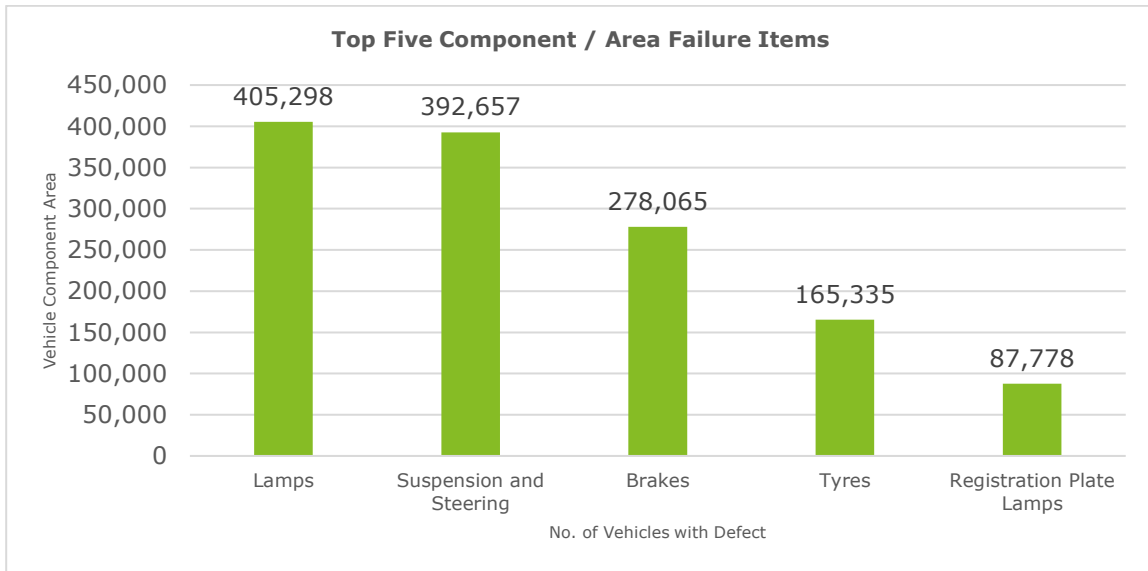


Figure 1.3: Top five – visual failure items – 2018

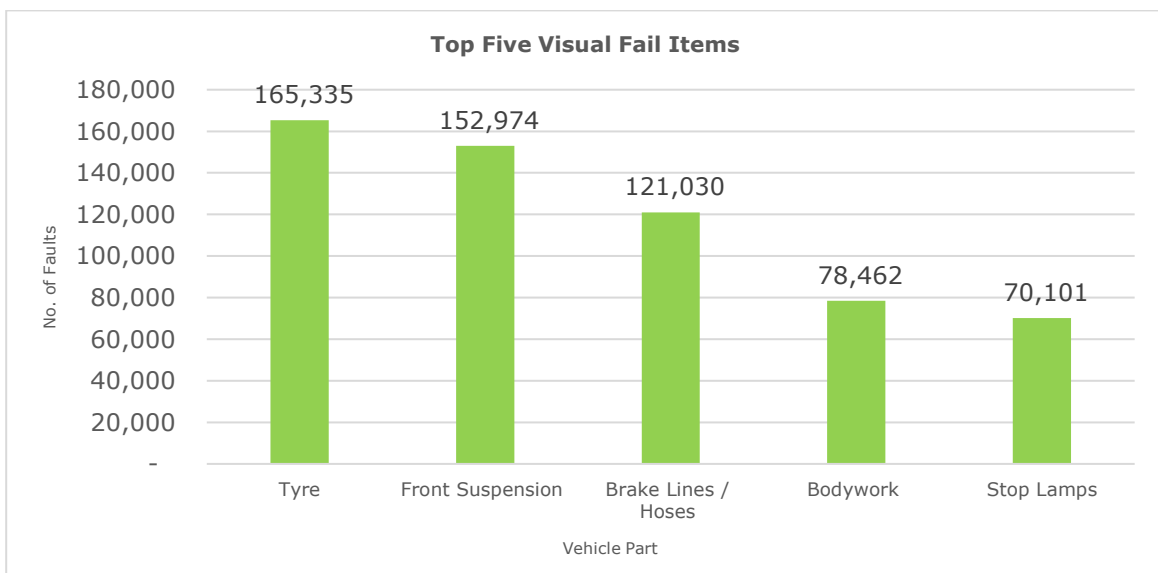
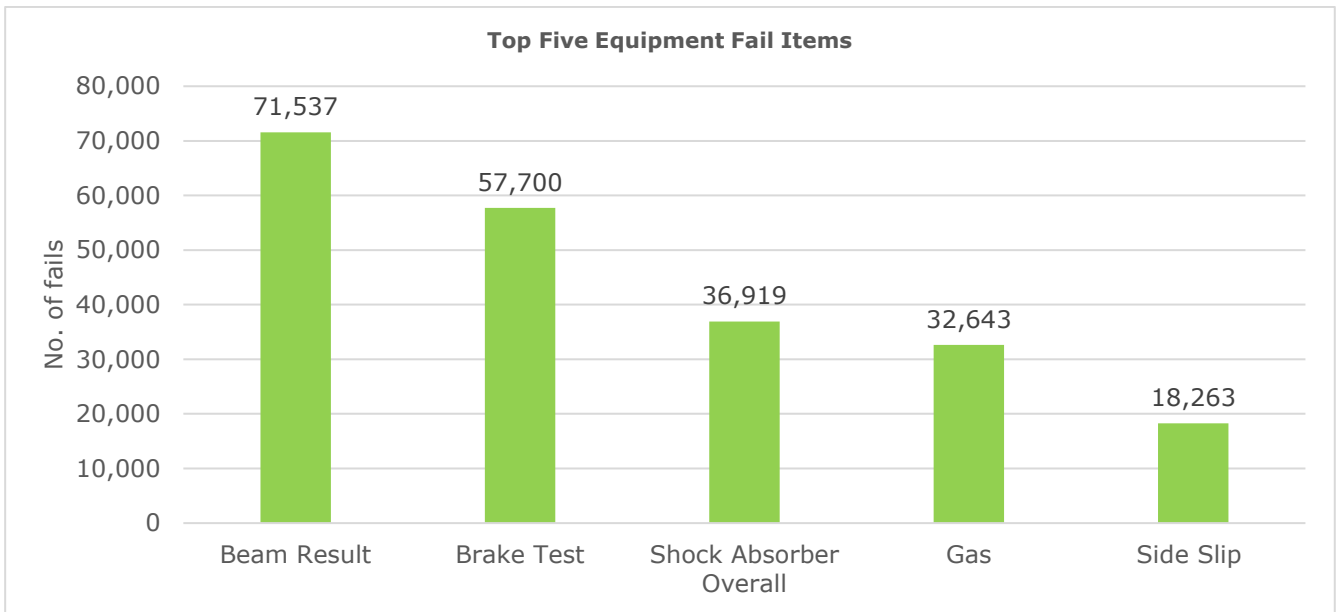


Figure 1.4: Top five - equipment failure items – 2018



The remainder of this report reviews the operation and performance of ACTS during 2018 as follows:

- ❖ **Section 2** – Operational audit – ACTS performance in the area of operational audit.
- ❖ **Section 3** – Observed test inspections – ACTS performance in the area of observed test inspections.
- ❖ **Section 4** – Customer satisfaction – ACTS performance in the area of customer satisfaction.
- ❖ **Section 5** – Complaints & appeals - complaints levels in 2018.
- ❖ **Section 6** – Performance management – ACTS performance against Project Agreement Key Performance Indicators (KPIs).
- ❖ **Section 7** – Financial matters – ACTS financial performance in the period under review.

2. Operational audit

Background & Methodology

The Project Agreement sets out a minimum standard of 90%, which must be achieved by ACTS in the operational audit.

Operational audits are performed on a quarterly basis by the SSC and the TSP. The work programme for the operational audit assesses ACTS performance against a number of pre-determined aspects of NCTS operations across the following areas:

1. Customer Services and Facilities;
2. People Processes and Technology; and
3. Observed and Independent Testing.

Areas of necessary improvement are communicated by the SSC to the RSA, and ACTS.

Responsibility

The operational audit is performed by the SSC and the TSP with a breakdown as set out below:

1. Headquarters component – performed by the SSC; and
2. Test centre component – performed by the TSP.

Table 2.1 below shows the operational audit scores achieved in the period 2016 – 2018.

The overall performance score for 2018 was 94.4% which is a marginal increase of 0.30% on the 94.1% achieved in 2017. ACTS has achieved the contractual standard in relation to the operational audit for 2018.

Table 2.1: Operational audit scores 2016 – 2018

Category	2016	2017	2018
Total weighted score	97.0%	94.1%	94.4%

Section A - Headquarters Review

This section sets out details in relation to the following headquarters operational audit areas:

1. Call centre performance;
2. Waiting times for NCT bookings;
3. Staffing levels & Human Resources; and
4. Information systems & management information processes.

Call Centre

The Project Agreement sets a target of answering 90% of all calls offered within 15 seconds. **Figure 2.1** below sets out the monthly call centre performance for 2018. Overall, the call centre exceeded the service level for the year with 92% of calls answered within 15 seconds.

The target service level was not met in February and March 2018. Over a period from late February and early March 2018 the network was closed owing to the impact of Storm Emma. This resulted in higher than usual call volumes to the NCTS call-centre.

Overall call volumes decreased in 2018 (see **Figure 2.2** below). This continues a trend seen in prior years. Internet bookings continued to increase in 2018 as can be seen in **Figure 2.3** below. This also is in line with the trend seen in prior years. Additionally 2018 saw the introduction of a web-chat service for the NCT.

Figure 2.1: 2018 monthly call centre performance

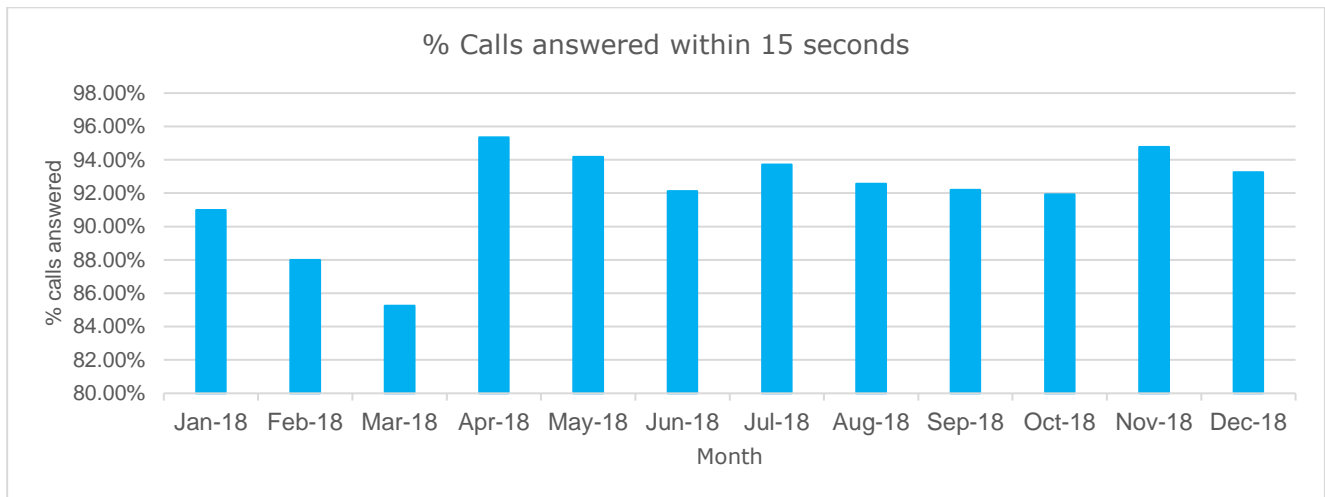


Figure 2.2: 2016 - 2018 call volumes

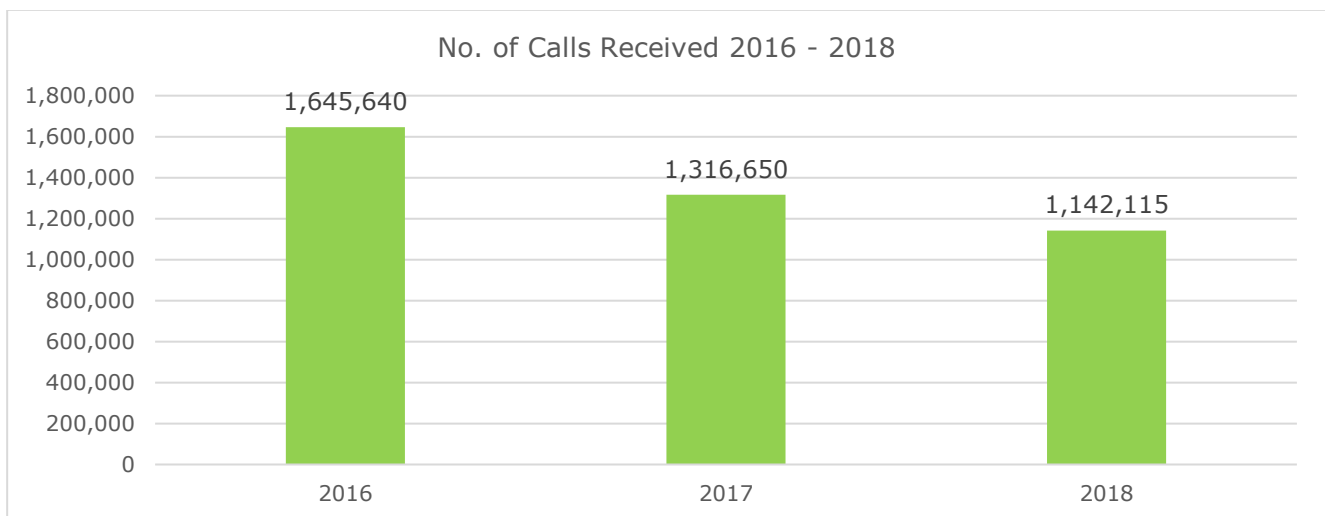
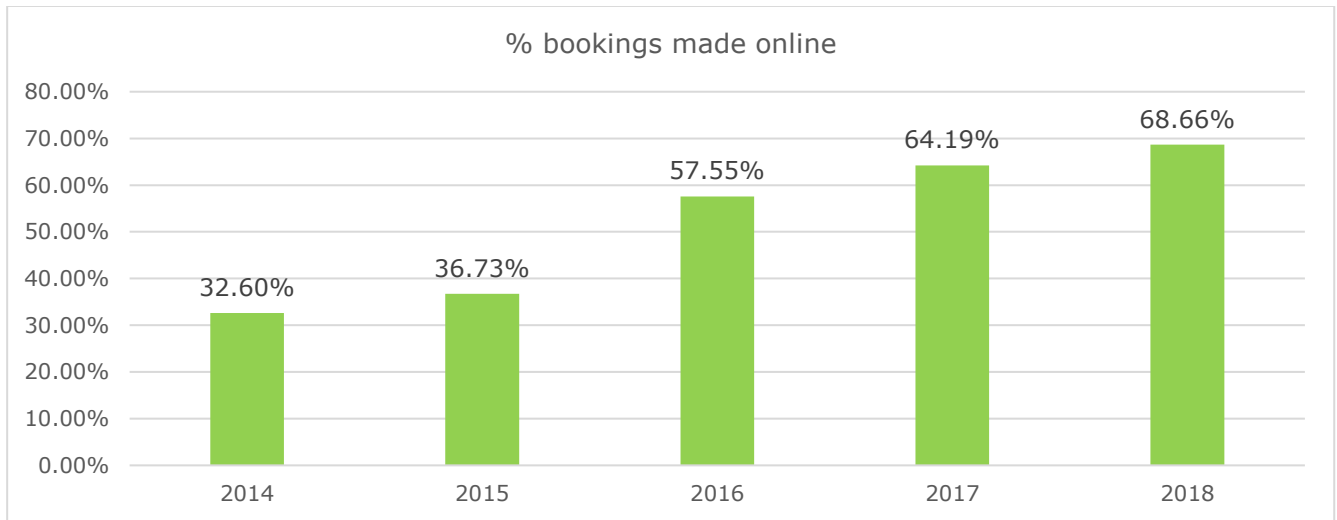


Figure 2.3: 2014 - 2018 internet booking levels



Waiting times for NCT bookings

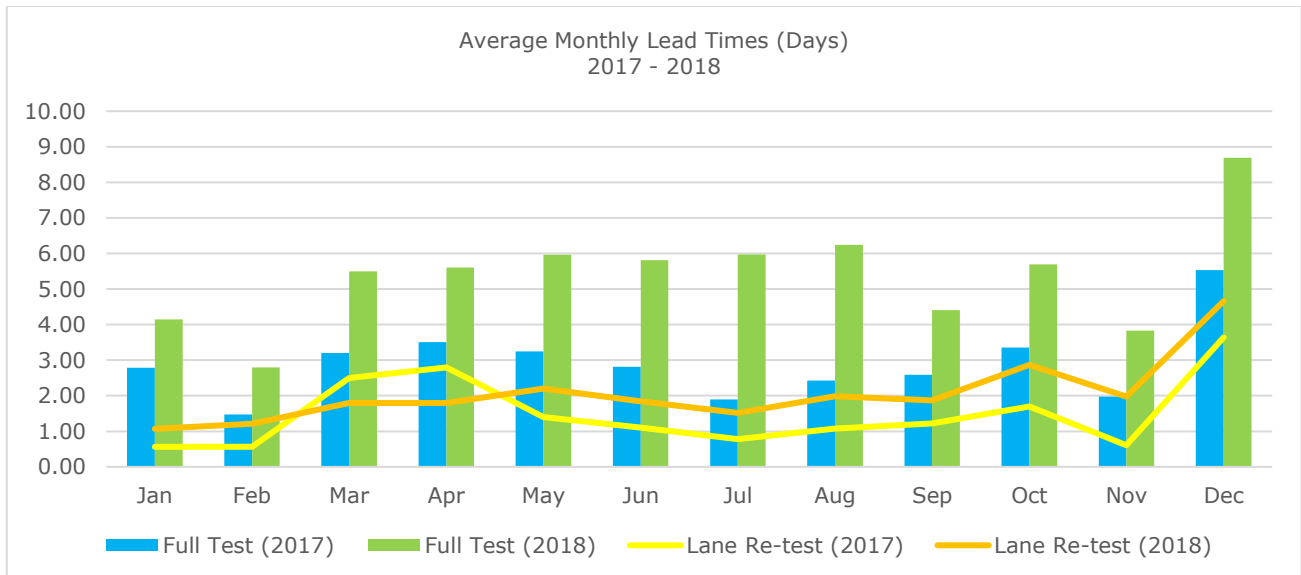
The Project Agreement sets a target average lead time across the NCT network of 14 days with no individual NCT test centre to exceed 21 days. Lead-times for tests and retests are monitored monthly and quarterly at both a national and test centre basis. The average lead time for 2018 was 5.39 days.

Throughout 2018, the service achieved the required standard with average lead times for full tests generally remaining in the 4 – 9 day range as can be seen in **Figure 2.4**.

Average lead times increased throughout 2018 by comparison to levels seen in 2017. Furthermore it is noticeable that average lead times peaked in December 2018 as a result of increased voluntary early testing and the Christmas break.

This is in line with trends seen in prior years.

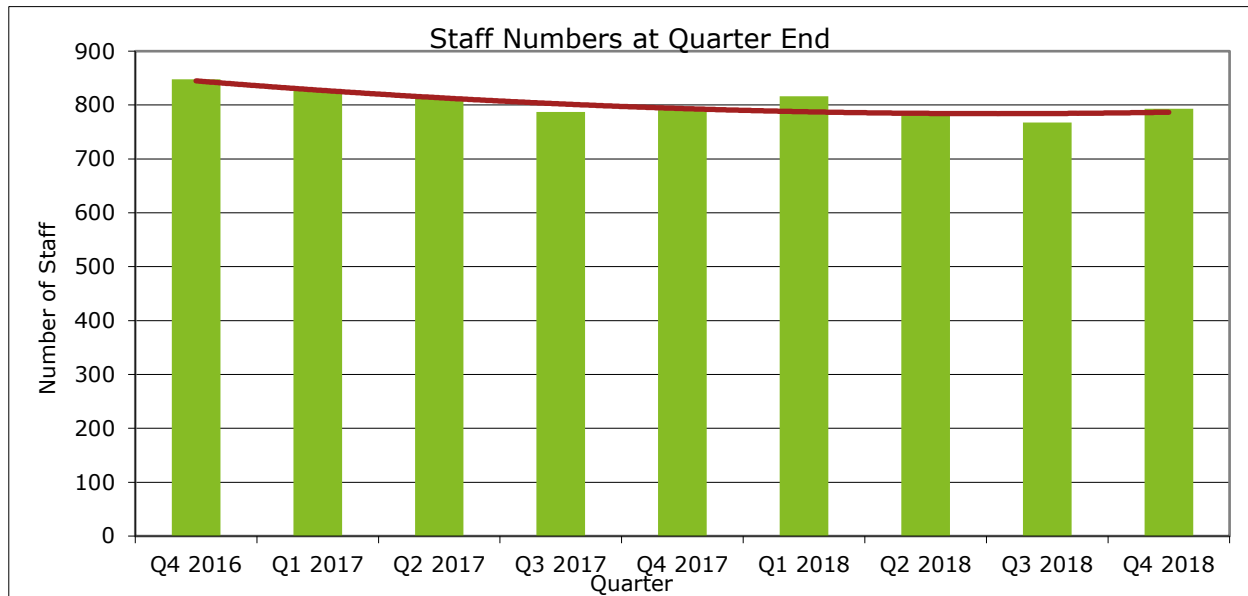
Figure 2.4: 2017 – 2018 average lead times



Staffing Levels and Human Resources

Overall staffing levels which include: headquarters; test centre; and call centre personnel, stood at 793 Full Time Equivalents (FTEs) in December 2018. ACTS staffing levels throughout the period Q4 2016 – Q4 2018 are shown hereunder in **Figure 2.5**.

Figure 2.5: Q4 2016 – Q4 2018 ACTS staff levels



Annual training of all vehicle inspectors took place in Q3 2018. This annual training addressed the updates to the NCT manual which were introduced to reflect the requirements of EU directive 2014/45/EU.

This training covered elements of the test process and test equipment. An assessment of each vehicle inspector was also conducted. Further training was provided throughout the year as new vehicle inspectors were recruited and inducted.

In addition, specific training courses were provided, including occupational first aid training and Health and Safety training, as well as training for call centre staff. New recruit and requalification training provided by ACTS is assessed and accredited by an external training body.

Information Systems and Management Information Processes

There are two key systems utilised in the NCTS:

1. Dashboard

The Dashboard system is an integrated application which is used for all elements of car testing including telephone, web and other bookings, test administration and reporting.

2. Vislane

The Vislane application is used to conduct car tests within individual test centres. The Vislane application receives readings from testing equipment used as part of the car testing process. The Vislane application is integrated with the 'dashboard' system.

This year ACTS introduced a number of updates to both of the above applications so as to facilitate the updates required as per the EU Directive 2014/45.

Additionally 2018 saw the following developments related to NCTS systems:

1. A new Trade Management System (TMS) was released with additional functionality for traders using the NCTS service.
2. ACTS, as part of the wider Applus+ Group, undertook a General Data Protection Regulation (GDPR) implementation project.

Section B - Test Centre Review

This section sets out details in relation to the following test centre operational audit areas:

1. Premises;
2. Test equipment & IT; and
3. Observed tests.

Independent inspections take place at each test centre, on an unannounced basis. In total 821 such inspections took place in 2018. Overall, the NCT test centres achieved the standard required as measured through the operational audits.

During these inspections, the condition of the premises and the availability and quality of the test centre equipment was checked, as well as the attitude and presentation of staff. Vehicle inspectors' testing performance was also monitored and graded (see **Section 3**).

Premises

The service is required to be delivered from premises that are accessible to customers and fit for purpose. This is assessed via a number of methods:

1. By the TSP during on-site inspections of test centres; and
2. Via feedback from NCT customers during mystery shopping and customer satisfaction surveys (see **Section 4**).

TSP inspections revealed that, in general, ACTS maintained the fabric of the premises to the expected standard during the year.

Test Equipment & Information Technology

During the regular inspections of all test centre premises, the availability and quality of the test centre equipment was checked. The scores for individual test centres against this criterion were gathered and reviewed and a number of minor areas for improvement drawn to the attention of ACTS management.

A key aspect of ensuring the accuracy of testing is to carry out regular consistency checks on all test equipment. Consistency checks were carried out quarterly during the year, with TSP engineers accompanying NCT regional technical staff during Q3 2018.

Observed Tests

A key aspect of the operational audit process is an assessment of the quality of work carried out by vehicle inspectors. During the year the TSP carried out 822 visits to NCT test centres, and audited 4,200 vehicles. This is discussed further in **Section 3**.

3. Observed test inspections

Methodology

The methodology for independently observing test inspections is based on a random selection of test centres and vehicle inspectors for unannounced inspection visits. Additional targeted inspections take place at test centres throughout the year.

Vehicle inspectors (VIs) are observed carrying out full tests, with TSP engineers observing their attention to the inspection sequence and their effectiveness in identifying faults. They also assess whether or not any anomalies found would have changed the outcome of the test result.

During 2018 TSP inspections covered:

- 100% of NCTS test centres in the network;
- 100% of test lanes in the network; and
- 97% of VIs.

Further details of the outcome of these inspections is set out hereunder.

During 2018, the TSP team audited 4,200 vehicles. 821 independent checks were undertaken during the year. The overall number of independent and observed tests increased in 2018.

Table 3.1 sets out a summary of the number of test centres, test lanes, vehicle inspectors and vehicle tests which were observed in 2018. On average, each vehicle inspector was observed performing 5 – 6 tests throughout the year.

Table 3.1: TSP inspection details 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Individual Centres audited	42	44	45	47	47	47	40	44	44	47	46	42	535
No. of visits in period	70	73	83	73	70	69	60	52	76	66	76	54	822
Vehicles audited	372	392	370	380	381	355	325	298	375	316	389	247	4,200
VIs audited	220	240	268	226	235	222	188	181	216	209	224	157	2,586
Lanes audited	91	94	98	94	101	95	83	86	93	96	97	85	1,113
Independent checks	70	73	83	73	70	68	60	52	76	66	76	54	821
Independent re-checks	4	5	7	9	9	8	9	5	8	5	7	3	79
Total	869	921	954	902	913	864	765	718	888	805	915	642	10,156

It should be noted that, for the 2018 NCTS annual report details relating to VIs audited sets out the number of VIs audited in 2018.

In 2018 2,586 individual VIs were audited on 2,972 occasions. A breakdown of the test result outcomes is set out in **table 3.2** overleaf:

Table 3.2 Vehicle Inspector Performance Rating for 2018

Category	Score	Q1	Q2	Q3	Q4	Total
Very Good (0 faults omitted)	10	694	679	574	561	2,508
Adequate (<=4 faults omitted)	6	8	1	1	3	13
Unacceptable (any major item or 6 minor items omitted)	0	25	3	10	26	64
C.N.A (Could Not Assess)	-	1	0	0	0	1
Total	-	728	683	585	590	2,586

On the 64 instances where a VI was rated poor or unacceptable, this was brought to the attention of the following parties:

- The VI in question;
- The test centre team / shift leader; and
- ACTS senior management.

Some of the matters which gave rise to a poor or unacceptable rating in 2018 included:

- Tyres, damaged incorrect specification or over six years old;
- Defective lamps;
- Damaged brake lines;
- Presence of moisture / water in light units;
- Damaged suspension spring or torsion bar;
- Presence of corrosion; and
- Incorrect recording of odometer readings.

Independent check tests

822 vehicles were fully checked independently by the TSP during the year. These were drawn, at random, from tests completed immediately prior to unannounced visits.

Test accuracy

The Project Agreement sets out a minimum score of 99% for test accuracy which ACTS must achieve throughout the period of the contract. In 2018, 37 pass / fail decisions were overturned as a result of failure items being omitted, or included in error, during observed or independent tests. Of these 37 instances, 28 were associated with a reduced VI score. These 28 instances were included in the test accuracy calculation for 2018 as set out hereunder:

Table 3.3: 2018 Test accuracy calculation

Description	No.
Total vehicles audited	4,200
No. instances where test outcome was impacted and VI scored less than 10	28
Test accuracy (%)	99.33

ACTS test accuracy performance in the period 2013 – 2018 is set out in **table 3.3** hereunder:

Table 3.4: Average test accuracy 2013 – 2018

Year	2013	2014	2015	2016	2017	2018
Test accuracy (%)	99.1	99.1	99.5	99.0	99.1	99.33

4. Customer satisfaction

The Project Agreement sets out a minimum score of 80% which ACTS must achieve throughout the period of the contract.

In 2018 customer satisfaction levels in relation to the NCTS were captured and measured, via a telephone survey, from 1,020 vehicle owners whose car had been tested throughout the year. Feedback received is collated and, using pre-agreed weightings, used to determine the Customer Performance Index (CPI).

In 2018 ACTS achieved a CPI of 92.52%, this is an increase of 3.32% on the 89.20% achieved in 2017. All individual aspects of the CPI increased year-on-year as is shown in **Table 4.2**.

However, due to recalibration and redistribution of weightings based on customers' views of the relative importance of aspects of customer service, the total CPI score is not directly comparable with previous years.

In addition, year on year comparisons are not possible across all individual criteria, as individual components were reworded ahead of the 2017 customer satisfaction interviews.

Methodology & approach

The sampling methodology employed in the survey has been designed to ensure that the sample selected is representative of the population of NCT customers and is drawn from across the target population.

NCTS customers were selected, based on:

1. A proportional weighting, applied to the total population of NCT customers from the quarter, based on: the volume of tests carried out at each NCT test centre and the overall national pass rate.
2. A random selection of NCT customers from those selected in No. 1 above.

The 2018 survey was conducted on a quarterly basis with members of the general public who had their vehicle tested in the prior quarter. Feedback was collated by conducting post-test interviews with 1,020 customers during 2018. Interviews were administered using a structured questionnaire dealing with the level of satisfaction with a range of issues that a NCT customer would expect to encounter.

The survey is divided into six distinct areas, each of which is assigned an agreed weighting, which feeds into the overall CPI. The areas assessed are:

- Booking procedures;
- Waiting times;
- Response to queries;
- Attitude of staff;
- Waiting area; and
- Explanation of test report.

The CPI summarises the overall performance of ACTS into a single score which allows for each year's results to be interpreted at a glance.

2018 Customer Performance Index

The CPI for 2018 was a score of 92.52%. This reflects a very high underlying level of satisfaction with the key aspects of the service that customers deem to be most important.

Table 4.1: Hereunder provides an analysis of the CPI performance achieved in 2018:

Table 4.1: ACTS CPI performance 2018

Factor	Question	Average	Average (%)	Weighting	CPI (%)
Booking procedures	Information provided on booking procedures	93.25	92.48	0.20	18.50
	Registration and vehicle checking procedures at the test centre	92.11			
	Payment procedures at the test centre	92.86			
	How straightforward it was to confirm your test	91.71			
Waiting times	The length of time you had to wait to get a test appointment	92.67	92.59	0.25	23.15
	The length of time you had to wait at the test centre from appointment time to the test itself	92.22			
	The length of time you had to wait if you had a retest	92.87			
Response to queries	The length of time it took ACTS to respond to your queries	93.23	93.23	0.05	4.66
Attitude of ACTS staff	The helpfulness of the staff you spoke to when confirming your test	92.61	92.56	0.18	16.66
	The helpfulness of the staff on reception at the test centre	92.84			
	The attitude of the member of staff who carried out the test	92.62			
	Their ability to carry out the test professionally	92.16			
Waiting area	The cleanliness and comfort of the waiting area and facilities	93.03	93.03	0.03	2.79
Explanation of test report	The test report	92.91	92.29	0.29	26.76
	The testers ability to help you understand the test report	91.66			
2018 Annual Customer Performance Index					92.52

All individual aspects which are assessed showed an increase year-on-year as set out in **Table 4.2**.

Table 4.2: CPI breakdown 2017 – 2018

Aspect	2017	2018	Increase
Booking procedures	91.30	92.48	1.18
Waiting area	84.20	93.03	8.83
Response to queries	90.90	93.23	2.33
Attitude of ACTS staff	90.70	92.56	1.86
Waiting times	90.30	92.59	2.29
Explanation of test report	87.10	92.29	5.19

5. Complaints & appeals

Customer Complaints

The Project Agreement sets out a maximum threshold of 0.2% in relation to the number of complaints that can be received. In practice this means that the number of complaints received cannot exceed 0.2% of all the vehicle tests performed. Customer complaints are recorded under a number of agreed categories (as set out in the summary **table 5.1** below).

ACTS use a computer system to record initial customer complaints, document their progress and resolution and provide a document audit trail to retain information regarding promptness and quality of responses to customers.

In 2018, ACTS received 1,097 complaints. This represents a decrease of 66 complaints (5.67%) from the 1,163 complaints received in 2017.

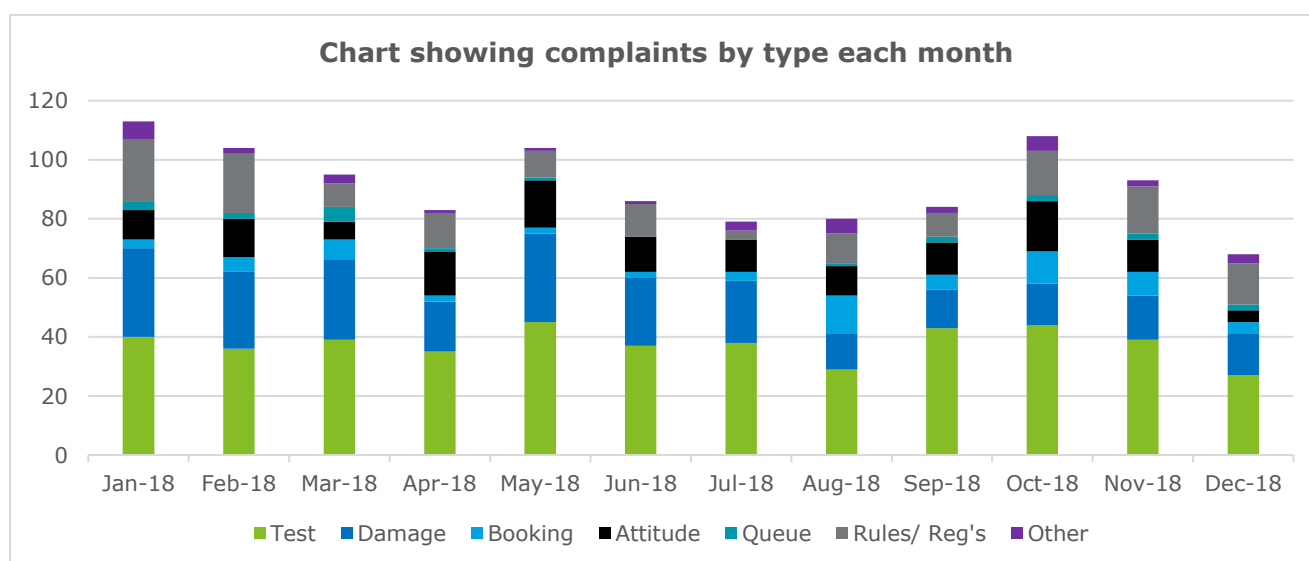
The total number of complaints as a percentage of total tests taken was 0.05%. This is a decrease of 0.01% on the 2017 result (0.06%) and it was also below the target set at 0.20%.

Table 5.1 Year 2018 Customer Complaints (by category)

Complaint category	Total
Test (conduct of test/results)	452
Damage (or loss to property)	242
Bookings (& call centre)	65
Attitude (of staff)	136
Queue (delays at test centre)	21
Rules/Regulations	147
Other	34
Total	1,097
Number of vehicle tests performed	2,024,523
As a % all tests conducted	0.05%

A breakdown of the number and category of complaints received in 2018, by month, is set out below.

Figure 5.1: 2018 complaints by category and quarter



Independent appeals Board

Where required, the Independent Appeals Board, overseen by the TSP, provides an independent review service for the resolution of customer issues, for the small number of cases that require additional investigation.

The Independent Appeals Board received 14 appeals throughout 2018, of which zero were upheld after investigation.

Test integrity issues

ACTS operate using an internal Code of Ethics. Each staff member receives refresher training each year on the company's Code of Ethics.

On occasion, matters come to the attention of ACTS, the SSC, the TSP or the RSA, which give rise to investigations into the integrity with which testing is carried out by particular vehicle inspectors or at particular test centres.

Such matters are investigated and, where appropriate, disciplinary action may be taken against any members of staff involved. In certain circumstances, An Garda Síochána are informed. During 2018, two employees were dismissed in relation to breach of code of ethics issues.

6. Performance management

Performance Standards Achieved

Table 6.1 sets out the ACTS level of achievement over the past three years, against the standards of performance required.

Table 6.1 NCT Achievement against Performance Standard 2016 – 2018

Performance Standard	Target	Actual 2016	Actual 2017	Actual 2018
Waiting times (full slots) for bookings – average less than 14 days	<14 days	4.7	2.9	5.39
Waiting times at individual National Car Test Centres – average less than 21 days	<21 days	√	√	√
Test accuracy	99.0%	99.0%	99.1%	99.33%
Customer satisfaction (Customer Performance Index)	80	84.4	89.2	92.52
Operational audit	90.0%	97.0%	94.1%	94.4%
Notifying Owners of the requirement to have their vehicle tested	80% 4-6 weeks before the due date of the test	√	√	√
Notification of results	Transfer of test results to NVDF daily (or issue of test certificates and discs within two minutes of test completion) on 98 per cent of occasions.	√	√	√

√- Denotes satisfactory result by reference to the performance standards.

As shown in the table above:

- The average waiting time for 2018 was 5.39 days, which was within the target of 14 days.
- The test accuracy standard met the target of 99.33% for the year as a whole.
- The CPI for 2018 was 92.52%, above the target of 80%.
- Operational audit performance for 2018 was above the target of 90%, at 94.4%.
- The standard requiring at least 80% of owners to be notified in advance was met.

Table 6.2 sets out the performance standards and the performance adjustment criteria, as detailed in the Project Agreement.

Table 6.2 Performance Standards and the Performance Adjustment Criteria

Performance area	Key performance standard	Performance points	Performance bands	Actual adjustment
Waiting times	Average waiting time for test bookings less than 14 days	One point for each day (max. six points per week) greater than the standard	A : 0 points B : 1-4 points C : 5-8 points D : >8 points	No
Waiting times at individual National Car Test Centres	Average waiting time for test bookings less than 21 days	0.33 point for each day (max two points per week) greater than the standard	A : 0 points B : 0-1 points C : 1-2 points D : >2 points	No
Test accuracy	99 per cent of test outcomes to be confirmed on check testing.	One point for each 0.5 per cent below the standard	A : 0 points B : 1-4 points C : 5-8 points D : >8 points	No
Customer satisfaction	Level of customer satisfaction with the National Car Testing service as defined by Composite Customer Satisfaction Index must equal 80% (CPI)	Two points for each three per cent below the standard, taking into account sampling errors	A : 0 points B : 0-4 points C : 4-8 points D : >8 points	No
Operational audit	Average composite index of performance resulting from operational audits of National Car Test Centres must equal 90 per cent.	One point for each one per cent below the standard	A : 0 points B : 1-4 points C : 5-8 points D : >8 points	No
Notifying Owners of the requirement to have their vehicle tested	80% 4-6 weeks before the due date of the test	One point for every 10 percentage points below the standard.	A : 0 points B : 1 point C : 2 points D : >3 points	No
Notification of results	Transfer of test results to NVDF daily (or issue of test certificates and discs within two minutes of test completion) on 98 per cent of occasions.	One point for each one per cent below the standard	A : 0 points B : 1-4 points C : 5-8 points D : >8 points	No

Performance adjustments for the current NCT contract were set up, generally to be applied on a quarterly basis throughout the term of the contract. No performance adjustments, rectification or default notices were applicable for 2018.

7. Financial matters

In this section of the report we comment on the overall financial results of ACTS. The purpose and scope of the work of the SSC is not of the nature of a financial audit. We do not provide any assurance or comfort as to the validity of the figures presented in this report and we do not present an opinion as to the true and fair nature of the state of affairs of the company.

We have not been required to assess or validate any of the financial figures made available to us and therefore any errors in the underlying figures will flow through to our report. We accept no responsibility or liability for any such errors. The SSC monitors the financial performance of the company on a monthly basis with reference to the management accounts and discusses the monthly performance and key variances against budget.

Other aspects of the work of the SSC includes assisting in the evaluation of any applications for review of the test and/or retest fee and reviewing the documentation supporting the levy payments made by ACTS to the RSA.

The ACTS profit & loss account for the financial year ending 31 December 2018 is summarised below in **table 7.1**. These amounts have been extracted from audited ACTS financial statements for the year ended 31 December 2018.

Table 7.1: 2018 ACTS Profit & Loss Statement

	2018 €	2017 €	Increase / decrease €	Increase / decrease %
Turnover	79,047,887	77,819,157	1,228,730	1.58
Cost of Sales	(64,926,239)	(60,669,890)	4,256,349	7.02
Gross profit	14,121,648	17,149,267	(3,027,619)	(17.65)
Administrative expenses	(10,326,877)	(10,387,596)	60,719	(0.58)
Net unrealised foreign exchange gain / loss	70,069	-	70,069	100
Operating profit	3,864,840	6,761,671	(2,896,831)	(42.84)
Finance income	1,128,687	820,688	307,999	37.53
Profit/(loss) before taxation	4,993,527	7,582,359	(2,588,832)	(34.14)
Taxation	(796,000)	(1,121,129)	325,129	(29.00)
Other comprehensive income	-	-	-	-
Comprehensive income for the financial year	4,197,527	6,461,230	(2,263,703)	(35.04)

The ACTS balance sheet for the financial year ending 31 December 2018 is summarised overleaf in **table 7.2**. These amounts have been extracted from audited ACTS financial statements for the year ended 31 December 2018.

Table 7.2: ACTS Balance sheet as at 31 December 2018

	2018	2017	Increase / decrease	Increase / decrease
	€	€	€	%
Non-Current assets				
Property, plant and equipment	2,409,628	3,583,877	(1,174,249)	(32.8)
Intangible assets	113,179	180,168	(66,989)	(37.2)
Amounts due from group undertakings	1,846,000	1,774,000	72,000	4.1
	4,368,807	5,538,045	(1,169,238)	(21.1)
Current Assets				
Trade and other receivables	25,487,864	24,451,507	1,036,357	4.2
Cash and cash equivalents	483,848	445,123	38,725	8.7
	25,971,712	24,896,630	1,075,082	4.3
Total Assets	30,340,519	30,434,675	(94,156)	(0.3)
Equity				
Called up share capital presented as equity	3,010,000	3,010,000	-	-
Retained earnings	4,199,447	5,701,920	(1,502,473)	(26.4)
Other reserve	(4,578)	(1,755)	(2,823)	160.9
Total Equity	7,204,869	8,710,165	(1,505,296)	(17.3)
Non-Current Liabilities				
Provisions	325,000	325,000	-	-
Defined tax liability	6,678	6,678	-	-
	331,678	331,678	-	-
Current Liabilities				
Trade and other payables	22,803,972	21,392,832	1,411,140	6.6
	22,803,972	21,392,832	1,411,140	6.6
Total Liabilities	23,135,650	21,724,510	1,411,140	6.5
Total Equity and Liabilities	30,340,519	30,434,675	(94,156)	(0.3)

Comments

Turnover for 2018 was €79,047,887 – this is an increase of €1,228,730 (1.58%) on the €77,819,157 recorded in 2017.

ACTS recorded an operating profit in the year of €3,864,840 – this is a decrease of €2,896,831 (42.84%) on the €6,761,671 recorded in 2017.

Pre-tax profits in the year were €4,993,527 – this is a decrease of (34.14%) on the €7,582,359 recorded in 2017.



Important notice

At Deloitte, we make an impact that matters for our clients, our people, our profession, and in the wider society by delivering the solutions and insights they need to address their most complex business challenges. As the largest global professional services and consulting network, with approximately 286,000 professionals in more than 150 countries, we bring world-class capabilities and high-quality services to our clients. In Ireland, Deloitte has nearly 3,000 people providing audit, tax, consulting, and corporate finance services to public and private clients spanning multiple industries. Our people have the leadership capabilities, experience and insight to collaborate with clients so they can move forward with confidence.

This document has been prepared by Deloitte Ireland LLP for the sole purpose of enabling the parties to whom it is addressed to evaluate the capabilities of Deloitte Ireland LLP to supply the proposed services.

This document is not an offer and is not intended to be contractually binding. Should this proposal be acceptable to you, and following the conclusion of our internal acceptance procedures, we would be pleased to discuss terms and conditions with you prior to our appointment and no reliance may be placed for any purposes whatsoever on the contents of this document.

Deloitte Ireland LLP is a limited liability partnership registered in Northern Ireland with registered number NC1499 and its registered office at 19 Bedford Street, Belfast BT2 7EJ, Northern Ireland.

Deloitte Ireland LLP is the Ireland affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2019 Deloitte Ireland LLP. All rights reserved.