



## **Dáil Éireann**

### **An Coiste um Chuntais Phoiblí**

**An Seachtú Tuarascáil Eatramhach maidir le  
Tuarascáil 2003 ón Ard-Reachtair Cuntas agus Ciste  
(Éisteachtaí an Choiste le linn na tréimhse Deireadh  
Fómhair, 2004 go hIúil, 2005).**

**An Roinn Dlí agus Cirt, Comhionannais agus  
Athchóirithe Dlí; an Roinn Gnóthaí Eachtracha; agus  
an Roinn Cosanta**

*Meitheamh, 2006*

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### **Committee of Public Accounts**

**Seventh Interim Report on the  
2003 Report of the Comptroller and Auditor General  
(Committee Hearings October 2004 to July 2005)**

**Department of Justice, Equality and Law Reform;  
Department of Foreign Affairs; and Department of  
Defence**

*June, 2006*





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## *Chairman's Preface*

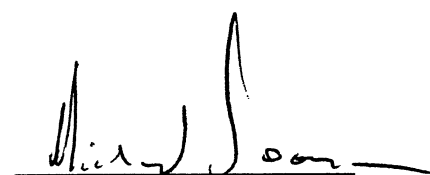
This interim report of the Committee of Public Accounts continues the process of the Committee, which commenced last year, of reporting periodically on a thematic basis. The subject matter of this report details the Committee's meetings with the Department of Justice, Equality and Law Reform, the Department of Foreign Affairs and the Department of Defence. These meetings took place as part of the Committee's consideration of the Annual Report of the Comptroller and Auditor General.

This report specifically examines the operation of the interim penalty points system along with the Votes of both the Department of Foreign Affairs and the Department of Defence.

The Committee has already in 2006 published a number of reports on the Report of the Comptroller and Auditor General, 2003 on matters such as the Office of the Revenue Commissioners and the NTMA; Department of Health and Children and Department of Social and Family Affairs; Department of Agriculture and Food and Department of Community, Rural and Gaeltacht Affairs; and Civil Service Commission, Office of the Ombudsman, Department of Finance and Department of the Environment, Heritage and Local Government. Further reports in the next few months will be published which will relate to Department of Education and Science; and Department of Communications, Marine and Natural Resources, Office of Public Works, Department of Transport and the Department of Enterprise, Trade and Employment.

As Chairman, I want to thank the relevant State agencies for their co-operation in making the compilation of this report possible. I also want to compliment the members of the Committee for their diligent work throughout the year.

We recommend this report to the Houses of the Oireachtas.



Michael Noonan, T.D.,  
Chairman.

21<sup>st</sup> June, 2006





## ***Members of the Committee of Public Accounts***

### ***FIANNA FÁIL***

Seán Ardagh T.D.	Dublin South-Central
John Curran T.D.	Dublin Mid-West
John Dennehy T.D.	Cork South-Central
Seán Fleming T.D.	Laois-Offaly
John McGuinness T.D. ( <i>Vice-Chairman</i> )	Carlow-Kilkenny
Michael Smith T.D. <sup>4</sup>	Tipperary North

### ***FINE GAEL***

John Deasy T.D. <sup>2</sup>	Waterford
Tom Hayes T.D. <sup>3</sup>	Tipperary South
Michael Noonan T.D. <sup>1</sup> ( <i>Chairman</i> )	Limerick East

### ***LABOUR***

Joan Burton T.D. <sup>5</sup>	Dublin West
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### ***GREEN PARTY***

Dan Boyle T.D.	Cork South-Central
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### ***SOCIALIST PARTY***

Joe Higgins T.D.	Dublin West
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<sup>1</sup> Deputy Michael Noonan replaced Deputy Padraic McCormack by order of the House on 18<sup>th</sup> June, 2003.

<sup>2</sup> Deputy John Deasy replaced Deputy Paul Connaughton by order of the House on 20<sup>th</sup> October, 2004.

<sup>3</sup> Deputy Tom Hayes replaced Deputy John Perry by order of the House on 20<sup>th</sup> October, 2004.

Deputy Michael Noonan elected as new Chairman on 21<sup>st</sup> October 2004.

<sup>4</sup> Deputy Michael Smith replaced Deputy Batt O’Keeffe by order of the House on 16<sup>th</sup> November, 2004

<sup>5</sup> Deputy Joan Burton replaced Deputy Pat Rabbitte by order of the house on 29<sup>th</sup> November, 2005.



## Orders of Reference of the Committee of Public Accounts

156. (1) There shall stand established, following the reassembly of the Dáil subsequent to a General Election, a Standing Committee, to be known as the Committee of Public Accounts, to examine and report to the Dáil upon—
- (a) the accounts showing the appropriation of the sums granted by the Dáil to meet the public expenditure and such other accounts as they see fit (not being accounts of persons included in the Second Schedule of the Comptroller and Auditor General (Amendment) Act, 1993) which are audited by the Comptroller and Auditor General and presented to the Dáil, together with any reports by the Comptroller and Auditor General thereon:  

Provided that in relation to accounts other than Appropriation Accounts, only accounts for a financial year beginning not earlier than 1 January, 1994, shall be examined by the Committee;
  - (b) the Comptroller and Auditor General's reports on his or her examinations of economy, efficiency, effectiveness evaluation systems, procedures and practices; and
  - (c) other reports carried out by the Comptroller and Auditor General under the Act.
- (2) The Committee may suggest alterations and improvements in the form of the Estimates submitted to the Dáil.
- (3) The Committee may proceed with its examination of an account or a report of the Comptroller and Auditor General at any time after that account or report is presented to Dáil Éireann.
- (4) The Committee shall have the following powers:
- (a) power to send for persons, papers and records as defined in Standing Order 83;
  - (b) power to take oral and written evidence as defined in Standing Order 81(1);
  - (c) power to appoint sub-Committees as defined in Standing Order 81(3);
  - (d) power to engage consultants as defined in Standing Order 81(8); and
  - (e) power to travel as defined in Standing Order 81(9).
- (5) Every report which the Committee proposes to make shall, on adoption by the Committee, be laid before the Dáil forthwith whereupon the Committee shall be empowered to print and publish such report together with such related documents as it thinks fit.

- (6) The Committee shall present an annual progress report to Dáil Éireann on its activities and plans.
- (7) The Committee shall refrain from—
  - (a) enquiring into in public session, or publishing, confidential information regarding the activities and plans of a Government Department or office, or of a body which is subject to audit, examination or inspection by the Comptroller and Auditor General, if so requested either by a member of the Government, or the body concerned; and
  - (b) enquiring into the merits of a policy or policies of the Government or a member of the Government or the merits of the objectives of such policies.
- (8) The Committee may, without prejudice to the independence of the Comptroller and Auditor General in determining the work to be carried out by his or her Office or the manner in which it is carried out, in private communication, make such suggestions to the Comptroller and Auditor General regarding that work as it sees fit.
- (9) The Committee shall consist of twelve members, none of whom shall be a member of the Government or a Minister of State, and four of whom shall constitute a quorum. The Committee and any sub-Committee which it may appoint shall be constituted so as to be impartially representative of the Dáil.

## **The Report**



# **1. Garda Síochána – Chapter 7.1**

## **1 Proceedings of the Committee**

1.1. The Committee heard evidence from Mr. Seán Aylward, Secretary General, Department of Justice, Equality and Law Reform and his officials; from Ms Julie O'Neill Secretary General, Department of Transport and her officials; from officers of An Garda Síochána; and from the Comptroller and Auditor General on 28 October 2004.

## **2 The Background**

2.1. The decision to introduce the fixed charge penalty points system for speeding was made with effect from 31 October 2002, at a time when the development of a dedicated computer system was only starting. A manual system was employed initially to support implementation of the system and this was supplemented about six months later using an interim information technology solution based on the old on-the-spot fines computer system. The main computer system designed to underpin the fixed charges and penalty point provisions was not complete by October 2004. It became fully operational throughout the whole country in February, 2006.

2.2. There were implementation problems that could have been reasonably foreseen and addressed beforehand such as operational difficulties with speed cameras and films, the avoidance of statute barred offences due to delays in processing and the handling of incorrect driving licence numbers. More than half of the speeding infringements recorded on film or video resulted in the issue of a fixed charge notice. If a fixed charge notice could not be issued, then penalty points clearly could not be allocated. Only 56% of the notices that issued resulted in payment being made by the end of 2003.

## **3 The Accountability Issues**

3.1. The accountability issues examined by the Committee were:

- Operation of the interim penalty points system
- Speed Cameras
- Nominated drivers
- Technology Issues
- Human Error
- Administrative Accountability
- Analysis of serious road accidents

## **4 Examination of the issues**

### **Operation of the interim penalty points system**

4.1. The Committee welcomed the introduction of the penalty points system as an effective mechanism towards reducing road traffic fatalities. It noted the general policy of incremental penalties leading to ultimate loss of a driving licence. The Committee sought information on the operation of the system in practice. From 31 October 2002 to 31 December 2003, 87,004 fixed charge notices were issued and payments were received in 48,553 cases (56%). For the 38,451 cases on non-payment, summonses were issued in 7,059 cases (18%). For the first

nine months of 2004 the payment rate increased to 66% of cases while the summons rate remained at 18%. Most of the cases brought before the courts result in convictions. In 2005 a total of 161,735 fixed charge notices were issued, 85,589 of which related to areas covered by the live pilot programme that commenced on 30 June, 2004. The pilot area consisted of the Garda Dublin Metropolitan Region Traffic Division (Dublin Castle), Blanchardstown, Santry, Terenure, Kells, Drogheda and Dunleer. The payment rate in respect of the pilot area was 69%. In the pilot areas a summons was automatically issued to those who did not pay fines. Further, court proceedings commenced in respect of 60,963 of the 85,589 fixed charge notices issued (71%). In the areas not covered by the pilot area on the spot fines notices were issued. In 2005, there were 64,878 on the spot notices for speeding issued in respect of the areas of the country not covered by the FCPS pilot system. In respect of these notices, 50,909 fines were paid, there were 5,227 court proceedings and 6,728 court proceedings pending. There were 11,268 fines on the spot notices for seat belt offences issued in respect of the areas of the country not covered by the FCPS pilot system. In respect of these notices, 8,115 fines were paid, there were 1,372 court proceedings and 1,396 court proceedings commenced. However, certain judges interpret the situation on the receipt of notices in their own way and look for absolute proof. The Road Traffic Act provides that the majority of offences are governed by what is called a “general penalty”, which is a maximum fine of €800 for a first offence and €1,500 for a second.

4.2. Information to hand in October 2004 indicated that the conviction rate was low. Only one in seven of those who did not pay on initial demand ultimately paid a fine or had four penalty points attached to his or her licence. The number of summonses that were statute barred was about 5,500 for the 14 months in question. The Department accepted that there was a backlog which was leading to cases becoming statute barred because of the manual system in place at the time. With the enactment of the Civil Liability and Courts Act 2004, summons applications from the Garda Síochána can now be made centrally to the Courts Service rather than having separate applications made to each District Court clerk. The automation of this process, would further streamline the application process for summonses and the chances of evasion through cases becoming statute barred should decline dramatically. In 2005, in the areas where the pilot FCPS was in operation, 4,173 cases out of a total of 85,589 (less than 5%) became statute barred.

4.3. The increase in the number of statute barred cases in 2004 over 2003 was due to the difficulty in having the notices accepted in court. A decision was made not to issue summonses until this issue was clarified. The Director of Public Prosecutions advised that if service of the notice could not be proven, it would be as well not to issue summonses or take cases to court. During this process, a number of the offences in question became statute barred because the six month period was exceeded. An operational decision was taken to enter summonses. In itself, this will ensure there will be no more statute barred cases and it will be for the courts to decide on service of the notice. A second issue arose when the interim system developed for Dublin was extended to Cork in November 2003. A computer bug led to the system not recognising nominated persons<sup>1</sup>.

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<sup>1</sup> *If a notice was issued to the registered owner of a vehicle and he or she nominated a particular person as being the driver at the time, the person to be prosecuted in the case of non-payment was obviously the named driver.*



## **Speed Cameras**

4.4. For the 14 month period to December 2003, 107,000 camera images were taken, of which almost half, 50,000, were spoiled. The rate of spoilage in October 2004 was 43%. 108,331 images were taken during 2005 in the FCPS pilot areas of which 49,996 (46%) did not result in the issue of a fixed charge notice. Some of the problems that arose during the early stages have been dealt with by the company providing the cameras. The opinion of the Committee is that there should be a target performance figure in terms of the efficiency of the equipment and whether modifications need to be made to attain optimum results. The Department accepted the principle of benchmarking its operation against those of other jurisdictions.

4.5. Fixed cameras operated in approximately four counties in 2004. They capture the information automatically, it is computerised, and notices are distributed automatically. The next engagement the Garda have from the time of the intercept on the road is if the individual failed to pay a fine and was going to court. The Department is moving towards a more flexible response using a mixture of traffic law enforcement options. For example, some members of the insurance industry urged the Garda Síochána to put all its resources and energy into visible activity. This has limited effect although offences other than speeding, such as having no insurance and seatbelt offences, can be detected only by means of direct Garda interception. On the other hand, the speed detection statistics would be optimised if the operations were covert, using hidden cameras. No matter how many extra Gardaí are taken on, it is a finite resource. There is a need for static technology, covert activity by Gardaí in unmarked cars, GATSO equipment, and Gardaí standing behind a tripod or at a checkpoint. Countries that have experienced this problem on a greater scale over a longer period have chosen to opt for a mixture of approaches.

## **Nominated drivers**

4.6. The Committee inquired about the process for nominated drivers. If the company fails to nominate a driver, it can be dealt with under legislation. There have been cases where a company has been brought before the courts for failing to do so. The company does not incur penalty points because the law relates to the user. That is a separate offence. In 2004, there were 235 cases of failure to nominate a driver, 11 instances where proceedings were initiated and one or two convictions. In 2005, in the FCPS pilot areas, there were 4,127 cases where a company failed to nominate the driver of a vehicle caught on camera. Normally it is the company secretary who is brought to court. Only a minority of company cars are registered in the name of the company. The Department of Transport will, if necessary, tighten up the law through road traffic legislation, to make it more convenient administratively for the Garda to go after the company that is failing to identify its driver.

4.7. Unlike other European Union member states, Ireland does not have a system of administrative fines in the area of road traffic. The right to go to court is an important constitutional right in the Irish context and this must be recognised in the introduction of penalty points. The road traffic legislation includes the power to remove someone's licence for his or her failure regarding certain road traffic offences. It is part of the Irish system that every change introduced in road traffic legislation will inevitably be challenged, and there will be an attempt to find loopholes especially where a person's licence is threatened. The Department of Transport consults with the Garda and the Department of Justice, Equality and Law Reform, and takes advice from the Office of the Attorney General in drafting the

legislation to make it as watertight as possible. In operational terms, apparent flaws emerge in the legislation. The critical issue is that a good feedback loop from the Garda and the Department of Justice, Equality and Law Reform should exist to learn quickly the kinds of issues that are arising in the courts and the advice they may receive from the DPP on when to pursue prosecutions.

4.8. One of the major anomalies is that when the Committee examined the matter in October, 2004 more than 20,000 vehicle owners claimed they were not the driver of the vehicle. There is an obligation on them to nominate a driver. In 2005 there were 6,229 notices issued to offenders with an address outside the State. With regard to these, 2,434 payments were received. It is accepted that there is an issue with enforcement outside the State, in common with virtually all jurisdictions in Europe. As a result the European Council Framework Decision on the Application of the Principle of Mutual Recognition to Financial Penalties has been negotiated and will be transposed into our legislation.

### **Technology Issues**

4.9. A consultant was appointed in September 2002 to design IT to handle the project. A live pilot study started in June 2004, 21 months after the study started. The development of the system required an interface with the PULSE system in order that summonses could be generated automatically. It also had to provide a link to the national driver file and national vehicle file for validation purposes. It involved developing electronic links with other agencies such as the Courts Service and the Department of the Environment, Heritage and Local Government. The software was required to be robust in order to cope with the scale of activity and, ultimately, it took that length of time to achieve this. The setting up of software for a large and complex system which involves interactions with other databases is time consuming but the expectation is that time will be saved when the system is implemented.

4.10. When the consultancy contract was signed in September 2002, an 18 month timeframe was given for the delivery of the pilot. Part of the software envisaged was designed for the purpose of enabling the deployment not just of the fixed equipment but also of hand-held equipment which gardaí engaged in traffic duty could use at the roadside to capture details of offences.

4.11. Tendering identified the equipment available at the time. Digital technology, which now exists, is smaller and can take a greater number of images. However, Gardaí do not currently utilize digital speed camera technology.

4.12. For the fixed-charge processing system (FCPS), the tender involved the procurement of hardware, which effectively meant hand-held devices used to capture the information at the roadside. The tender did not encompass the provision of any camera equipment at that time. Before fixed-penalty charges were introduced, there was an automated, on-the-spot system in operation. When fixed-charge penalties were introduced, that system was not programmed to deal with such offences. Hence it was necessary to revert to a manual recording system. The internal Garda IT staff examined the original system of on-the-spot fines and updated it to accommodate the fixed-charge speeding offences. This is referred to as the “the interim system”, to be used while awaiting the building and development of the fixed-charge processing system, or FCPS. The interim system was introduced in Dublin initially and extended to Cork in November 2003. It is that system, not the pilot system, that had computer programming errors when installed in Cork.

## **Human Error**

4.13. A large number of fixed-charge notices have failed because of the level of inaccuracy in completing notices leading to cancellations and difficulties in assigning penalty points. One of the benefits to come from the new FCPS system is that data captured at the roadside will be automatically transferred to the central system for processing. The production of a notice is automatic, and printing and posting of those notices will be outsourced and automated as will the payment of notices. The Department of Finance, has given sanction for additional clerical staff for the national processing office to free gardaí for operational duties.

## **Administrative Accountability**

4.14. The Committee noted that there are three separate Departments (Justice, Equality and Law Reform; Transport; and Finance) and the Garda Síochána involved in administering different aspects of the system. The Departments try to operate on a collegiate basis. They deal with the various working groups on a functional basis. The lead agency or Department chairs the relevant group. For example, the Department of Justice, Equality and Law Reform chairs a group dealing with the procurement and roll-out of the FCPS while it defers to the Department of Transport on legislation.

## **Analysis of serious road accidents**

4.15 The penalty points system is estimated, up to October 2004, to have saved approximately 100 lives. In 2005, using the year 2000 as a benchmark and calculating figures on the basis of the number of vehicles registered, it is estimated that in excess of 130 lives may have been saved. However, in the last ten years no comprehensive scientific analysis has been undertaken of serious road traffic accidents between the Departments of Justice, Equality and Law Reform and Transport and the Garda Síochána. The Committee felt that a comprehensive scientific analysis of patterns and the cause of crashes would allow the issue of enforcement to be addressed in a more focused fashion. The Garda compile collision reports on all accidents resulting in serious injuries or fatalities. This data is provided for the National Roads Authority from which it produces reports and analysis on which traffic strategy is based. There is a great deal of provisional data generated by the Garda analysing the nature of the road users involved in accidents and the pattern by day of week, time of night etc. The road traffic strategy 2004-06 is based on the analysis of this data by the NRA. Another element has been the collision history at the 109 traffic accident locations identified in the NRA high accident location report which recommended appropriate treatment at each location where the road had been a factor in the collisions.

4.16 The Committee was informed that information on whether persons who died on the roads had alcohol in their system does not feed back officially into the system because that data is the property of the coroner. This information would form part of the overall investigation into a fatal crash. It would be supplied but it could not be adjudicated upon because it may be just one element as to the cause of a particular crash. There is no statistical information available on the blood alcohol or drug content of victims regardless of why a crash has happened. The Departments agreed that this was a gap in the system. There is no central coroners service. In an effort to address this, a pilot scheme was initiated in one

coroner's area (Kildare). It is understood that the final version of the study is to be published shortly, when its findings can be studied.

It is the case that toxicological data from inquiries and inquests carried out by coroners in regard to road traffic accidents involving fatalities would be made available to the Gardaí and to bona-fide researchers conducting research in this regard, within the limits of existing resources.

A comprehensive approach to the collation and use of relevant data, including toxicological data, so as to better contribute to the improvement of public health and safety, would be of benefit. This is an issue which will likely be considered in the context of the reform of the law in relation to coroners. The Coroners Bill which will reform the legislation in relation to coroners and provide for the establishment of a full-time Coroner Service, with significantly increased resources, is currently being drafted with a view to publication later this year.

## **5 Adoption of Reports**

5.1. The Committee disposed of Chapter 7.1 of the 2003 Annual Report of the Comptroller and Auditor General.

## **6 Findings and recommendations**

### **The Committee of Public Accounts**

#### **Finds specifically that:**

1. The introduction of a fixed charge penalty points system on an interim basis in the initial period of 14 months has contributed to saving up to 100 lives and has also contributed to a reduction in the number of serious injuries that have been sustained.
2. The first full year of the penalty points system also resulted in a significant economic benefit brought about by a reduction in the number of traffic accidents.
3. The use of a manual system, and later an interim computer system was inefficient. Up to the end of 2003, there was a high rate of non-payment (44% of 87,004 notices issued) and a low rate of subsequent enforcement (18%). Many cases became statute barred due primarily to a backlog in administrative processing. There were delays in notifying motorists of the application of penalty points. This situation greatly improved in 2005 in the pilot areas.
4. The fixed camera equipment has a spoilage rate of 46% due to variety of factors.
5. The system for nominated drivers did not work well where a nominated driver with an address outside the jurisdiction was provided.
6. The accountability for the FCPS system is shared by three Departments and the Garda Síochána.

**And recommends in general that:**

1. The performance of the FCPS should be monitored by reference to efficiency indicator targets, including spoilage rates, the timeliness of the issue of notices and the enforcement of non-payment.
2. Future investments in equipment should have due regard to imminent changes in technology such as a move from analogue to digital based equipment.
3. There should be a single unit with overall accountability for the implementation and performance of the FCPS.
4. A comprehensive scientific analysis of patterns of the causes of road accidents should be carried out by a single authority so as to allow for a more focussed approach to enforcement.
5. Data relating to the level of alcohol and other drugs in the system of those killed or injured in road accidents should be available to Garda and Department officials.



## **2. Department of Foreign Affairs – Votes 38 and 39**

### **1 Proceedings of the Committee**

1.1. The Committee heard evidence from Mr. Dermot Gallagher, Secretary General, Department of Foreign Affairs and his officials; and from the Comptroller and Auditor General on 5 May 2005.

### **2 The Background**

2.1. Most of the Department of Foreign Affairs Vote goes towards meeting the administration costs of the mainstream activities of the Department. That amounted to almost €145 million in 2003, with most of the balance accounted for by the €18.9 million in contributions to international organisations. During 2003 major planning and preparation were under way in the Department for the Presidency of the Council of Ministers of the European Union in the first half of 2004.

#### *Overseas development aid*

2.2. In 2003, the total official development assistance amounted to €446 million or 0.4% of GNP. The focus of the development programme is supporting poor countries to reduce poverty and to achieve sustainable economic growth. This is pursued through bilateral aid programmes in particular countries, emergency and humanitarian responses, assistance to non-governmental organisations, multilateral agencies and other international organisations.

2.3. The Organisation for Economic Co-operation and Development, OECD, carried out a detailed peer review of the aid programme in 2003. The review strongly commended our development programme in 2003 on its quality and effectiveness. It also commended the programme on its sharp focus on poverty reduction. Half of the programme allocation goes to countries ranked as least developed - the highest proportion of all the OECD donors. The seven priority countries for bilateral assistance are Ethiopia, East Timor, Lesotho, Mozambique, Tanzania, Uganda and Zambia. All are categorised as least developed countries.

### **3 The Accountability Issues**

3.1. The accountability questions examined by the Committee were:

- Overseas Development Aid targets
- Audit Activity
- Administrative capacity
- Budgetary support
- Emergency Aid
- American immigration issues
- Services for emigrants
- State property abroad
- Irish passports

## **4 Examination of the Issues**

### **Overseas Development Aid targets**

4.1. There is a more focused and concentrated effort in responding to the needs of the Third World, an element of which is that countries should agree to the 0.7% of GNP aid target by 2015 and an interim target of 0.5% by 2009. The figure for Ireland at the time was approximately 0.4% of GNP. To reach the figure of 0.7% by 2007, at current growth rates would cost €1.071 billion, whereas in 2005 total ODA amounted to €545 million. Ireland could provide overseas development aid amounting to €1 billion within five years based on current economic growth. The Government has agreed to an interim target of 0.5% for 2007 and is committed to the 0.7% target by 2012.

4.2. The bulk of the programme goes to the bilateral activities in the priority countries and the remainder goes to the NGOs. The core of the programme is working in partnership with the seven priority developing countries. It gives them a sense of ownership of the programme, which is what development is about.

4.3. Non-governmental organisations, NGOs, play a critical role in development, often working with the poorest of the poor. The programme has been working in close partnership with Irish, international and local NGOs, including missionaries who during the years have done an extraordinary job at little administrative cost to assist in the alleviation of poverty. In 2003 a multi-year funding arrangement was agreed with five Irish NGOs — Christian Aid, Concern, GOAL, Self-Help Development International and Trócaire. The Government is providing €117 million over three years to support the long-term development programmes of these agencies in some of the poorest countries of the world. Again, the focus is on poverty reduction. The NGOs concerned now have predictable budgetary frameworks to implement programmes to improve access to education, health, water, sanitation, food and shelter. It is fair to say that this development has been widely welcomed. In 2003 voluntary contributions of approximately €38 million were made to UN development agencies. One of the main criteria for allocating contributions is the poverty focus of the agencies concerned.

### **Audit Activity**

4.4. The audit section is quite small (five staff) and receives approximately 200 reports each year from the aid programme and embassies and consulates around the world. The audit committee is exclusively staffed by external people. In addition, the ODA has accountants in its offices in each of the six programme countries, some of whom are audit specialists. The audit team is not alone in that there are also people on the ground in audit units in embassies and aid offices. ODA works closely with the World Bank and other donors and occasionally carries out joint audits. An assistant secretary has been appointed to strengthen the development co-operation division.

4.5. Every year 12 audits are carried out in the seven priority countries. ODA also looks at the audits that other donors and governments have carried out so that it can extract lessons from them and bring them together in summary form. For example, in Uganda, the numbers attending primary school have increased from 3.5 million to 8 million. Such increases have occurred in many countries. One can see that money is not siphoned off and that it has been spent for the purpose for which it was intended. From time to time the global figures are reviewed to see if Ireland, together with the other 18 to 20 countries involved, is making a



difference on that level. One then looks at the statistics to see, for example, how many thousand more health clinics there are, the number of additional people that have access to clean water and whether the percentage of people living in poverty has fallen. The AIDS infection rate is also an indicator.

4.6. There are moves within the international donor countries to combine the independent audit effort, as reflected by an auditor general's office, in examining the effectiveness of the measures on the ground to ensure that there is no overlap, displacement or duplication. Up to now Ireland has held a particular niche and has done very well in terms of addressing the poorest countries and in the context of becoming involved with projects on the ground. The budgetary support is a separate development which also requires financial support.

### **Administrative Capacity**

4.7. In 2003/04 30 new specialists were recruited. The Department gives international agencies a certain proportion of the ODA but the substantial part of programme moneys is spent in priority countries and in working with NGOs. The Department needs to strengthen capacity in line with the increased aid allocations. ODA is conducting an audit of staff resources, capabilities and requirements to identify what needs to be put in place within the Department. Agencies can secure the capacity if funding is increased. They receive 24% of the total fund but they will build up their capacity, if required. In the region of €100 million per annum is spent on NGOs and about 12% to 13% on multilateral agencies such as the UN. Some €160 million, about 38%, goes to the programme countries. The remainder of the funds goes to emergencies for the Red Cross and other activities. Other countries (for example, Liberia) outside the programme countries also receive funding.

4.8. ODA established a new partnership programme with the NGOs called the multi-annual programme scheme. This gives the NGOs consistent funding over three years so that their projects are not time dependent. The first phase of the programme has ended and a major interim evaluation was conducted including travelling to some of the countries where the NGOs are operating and visiting their headquarters and looking at the value for money of their programmes in terms of poverty reduction.

### **Budgetary Support**

4.9. Budgetary support is a new part of development activity. Ireland provided €7 million in 2003 in budgetary support to Uganda. 18 other countries also gave budgetary support to that country. They get together with the Ugandan authorities and discuss the budget. They can influence the direction of the budget. There is a limit agreed on the amount that can be used for defence, which is just over 2%. The donors get access to areas such as the president's establishment, the security services and to classified defence documents. These show a certain justification for government activity. The donors can influence budgetary policy and see the outcome at the global level, for example figures that show an increase in the number of children at school, the number of schools, the number of teachers or the number of health clinics and so on. A similar approach is followed in Mozambique and Tanzania. If one is to make a difference on the ground, the ideal way is to get inside the government budget.

## **Emergency Aid**

4.10. The Committee inquired about how the Department decided on the level of emergency funding and the mechanisms in place within the Department to deal with short-term immediate planning in the wake of disasters. Usually there is an international appeal for a certain amount of funding and countries get together and discuss the amount that they will pledge. It may depend on the extent of the tragedy. An earthquake that is localised is on a different scale from the tsunami that affected five different countries. There is a humanitarian emergency unit based at the Department that specifically responded to the tsunami. Unlike the tsunami, most of the emergencies do not occur overnight but build slowly. Famines in south and east Africa are prime examples. The Department has continuous channels of communication with all of the NGOs to absorb the information being supplied to them on the ground. International appeals, such as the International Red Cross and the UN appeals, are monitored at all times. There is a consolidated appeals process where all of the UN agencies get together to identify the gaps and the real needs. There is a budget for the year and extra funding is available, if necessary. Decisions are taken quickly, for example, a meeting was held within six hours of information reaching Ireland on the tsunami and the first €1 million in aid was delivered very quickly. There are two stages of response - the immediate response of providing shelter, clean water and sanitation and the long-term response of putting money back into the affected economy through the provision of, for example, fishing boats.

4.11. The funding was delivered to several key NGO agencies, such as Concern, Trócaire, GOAL, Oxfam Ireland and Christian Aid Ireland, working on the ground. Certain agencies, such as the UN, have specialised expertise. The Red Cross is assisted because it has societies that can be on the scene of accidents and emergencies within several hours of their taking place. The Department aims to get a cross-section to maximise the impact of the funding delivered. An audit and evaluation will be made in due course because there may be lessons to be learned.

4.12. At midday on St. Stephen's Day 2004, a full team was in place responding to the tsunami crisis. The Department received over 3,000 inquiries, each of which was followed up and all Irish people affected by the tsunami were traced.

## **American immigration issues**

4.13. The Committee noted reports in the media that a substantial number of Irish people need help and assistance to allow them to continue to work and live in the United States. There is no accurate figure for the number of undocumented Irish in the U.S. but 20,000 to 25,000 is the Department's estimate. A number of Irish people have travelled to the United States and stayed on beyond the expiry date of their visa. Immigration is a very sensitive, thorny and difficult issue in the United States and there are trenchant views in Congress on the matter. The U.S. President suggested a system which would enable such persons to be considered "guest workers" for approximately four years after which they could apply for a green card. This would enable the people concerned to return to Ireland for funerals, weddings or family reunions. The money given to the agencies in the United States is primarily intended to help them reach out to and support people with difficulties. There is strong support for the immigration societies in Boston, New York and other cities. Vulnerability in the United States is associated in recent times with the undocumented Irish with whom the immigrant societies are doing a lot of work.

## **Services for Emigrants**

4.14. In 2005 the amount of money allocated in support of Irish emigrants has been almost doubled to approximately €8 million. 90% of the fund to support the Irish living abroad goes to Britain because that is where the most vulnerable people are to be found. Those who are vulnerable in Britain, such as the older Irish in Manchester, Birmingham and London, have fallen through the cracks in the system and must be supported. The funding goes to organisations working with the marginalised, the unemployed and the vulnerable. It also helps to leverage money from the British authorities.

## **State Property Abroad**

4.15. The Department owns 27 properties abroad. There have been discussions with the Department of Finance with a view to purchasing more property. Typically, rental costs over a ten year period would buy a property. The property valuations are up to date. Considerable amounts are being expended on improvements to embassies which are maintained to a very high standard. It does not make economic sense to expend this money on leased premises. The Department has suggested taking a loan from the national pensions fund. It has identified a number of properties offering good value for purchase.

## **Irish Passports**

4.16. The Committee considered the significant growth in the number of Irish passports being sought. 600,000 passports were issued in 2004 and this increased to 670,000 in 2005. This latter figure is an increase of 91% on the number issued in 1998. Some years ago there was a move from a five year to a ten year renewable passport which was expected to take pressure off the service, but this has not happened. The new passport is very secure and has a digitised version of the photograph which can be seen on another part of the page. The Department expects to introduce biometric passports, which offer an even greater level of security, later this year.

## **5 Adoption of Reports**

5.1. The Committee noted Votes 38 and 39 of the 2003 Appropriation Accounts.

## **Findings and recommendations**

### **The Committee of Public Accounts**

#### **Finds specifically that:**

1. Overseas development aid budgets are increasing and 2012, has been set for reaching the internationally accepted target contribution of 0.7% of GNP.
2. Considerable progress has been made in improving institutional and audit capacity to administer the overseas development aid budget. However, the Department should ensure that it is equipped and able to administer and audit the increases in budget that will occur when the accepted expenditure target is reached.
3. The procedures in place to respond to emergency aid situations appear to work well.

4. There has been significant growth in the number of Irish passports issued in recent years with 600,000 and 670,000 having been issued in each of the years 2004 and 2005 respectively. Biometric passports will be introduced later this year.
5. The budget for support to Irish citizens living abroad has increased significantly to more than €8.2 million.

**And recommends in general that:**

1. The Department should strengthen auditing and oversight mechanisms in view of increasing expenditure particularly in the area of budgetary support given to certain countries.
2. The Department should continue its efforts to persuade the U.S. authorities to bring about a situation that would benefit Irish citizens seeking to become legal there.

### **3. Department of Defence – Votes 36 and 37**

#### **1 Proceedings of the Committee**

1.1. The Committee heard evidence from Mr. Michael Howard, Secretary General of the Department of Defence; and from a representative of the Comptroller and Auditor General on 12 May 2005.

#### **2 The Background**

2.1. The year 2003 saw a continuation of the modernisation of the Defence Forces along the lines set out in the 2000 White Paper. Substantial extra funding was provided for those programmes arising from the Government's decision that 100% of pay savings arising from the White Paper re-organisation of the Defence Forces, together with the proceeds from the sale of surplus properties should be re-invested in the Defence Forces.

2.2. The Defence Vote for 2003 consumed in excess of €700 million of State funding, more than €450 million of which was payroll expenditure. The Vote also included an administrative budget of some €20 million for the civil element of the Department. Approximately €6 million was provided for other services, which include Civil Defence, the *Asgard* sail training scheme and the Red Cross. Significant non-pay expenditure of €47 million was incurred in respect of the Air Corps, while buildings expenditure amounted to €35 million. 2003 also saw the beginning of the end of large scale expenditure on loss of hearing claims. Total expenditure including plaintiffs' legal costs was €14.6 million, compared with more than €33 million in 2002 and €44 million in 2001. Appropriations-in-aid amounted to almost €8 million, or just over 1% of the Vote.

2.3. On the equipment side, major payments made in 2003 included more than €17 million on the purchase of eight Pilatus trainer aircraft which were delivered in 2004 at a total cost of €60 million; €9 million on various transport vehicles; and a final stage payment of €5 million on the contract for the purchase of 40 armoured personnel carriers, delivery of which was completed in 2002 at a total cost of €51 million. The accounts also reflect expenditure associated with peacekeeping deployments to Liberia and Kosovo. The main deployments were to Liberia and Kosovo, with, respectively, 416 and 207 personnel serving.

#### **3 The Accountability issues**

3.1. The accountability issues considered by the Committee were:

- Military properties and Housing issues
- Naval Service at Haulbowline
- Army deafness claims
- Army Pensions
- Disability Pensions

## **4 Examination of the Issues**

### **Military properties and Housing issues**

4.1. The Department of Defence owns a very substantial and diverse property portfolio. The task of providing a market value for it would require a significant deployment of resources and possibly a fairly significant level of expenditure if it was not possible to have the Commissioner for Valuations undertake the work. For the purchase or sale of property, a procedure is in place whereby it can be valued to ensure that the transaction is executed in accordance with value for money. The Committee felt this procedure was insufficient as it is difficult to make a long-term plan if the Department is not aware of the fair value of its assets.

4.2. The Department confirmed that it is not in the business of asset-stripping. The policy is that the proceeds from surplus property which is disposed of are re-invested in the Defence Forces. Only property that is surplus to requirements is disposed of. Some of its land was transferred to the Department of the Environment, Heritage and Local Government as part of the affordable housing initiative. The Committee noted that this went against the government policy decision of 2000 to re-invest money that would be accrued from the sale of particular assets back into equipment for the Defence Forces.

4.3. The affordable housing initiative obtained lands in a couple of locations, some of which were not included in the programme of barrack sales such as Gormanstown, Co. Meath and a site at St. Bricin's Hospital, Dublin. The decision on the affordable housing initiative did not relate to the barrack closures. The affordable housing initiative is unique in that the land acquired by the State agency involved was not purchased. It was inherent in the original decision to dispose of six barracks that there would be a benefit to the local communities.

4.4. The Committee inquired about the programme of barrack closures. There is an ongoing process of identifying surplus parcels of land and sections of property and a disposal of small sites, but the programme of barrack closures has been completed. The Department expected to receive an estimated €6.8 million for a succession of disposals of small properties in 2005, including €272,000 for 20 acres of the Curragh to Kildare County Council in connection with the Kildare town bypass and an acre site at Arbour Hill which was sold to the Prison Service for €3 million. A deed of transfer was completed to formalise the permanent hand-over of Spike Island to the Department of Justice, Equality and Law Reform for €65,000 which was lodged in the Defence Vote for 2004.

4.5. The basic policy as regards providing houses for military personnel is not to provide accommodation for the families of military personnel. For a number of years, the Department has pursued a policy of selling the existing married quarters to the occupants. There have been schemes, which are similar to those operated by local authorities, to encourage tenants who are occupiers of properties to purchase them. The experience generally in providing accommodation for members of the Defence Forces has raised certain difficulties, in particular with over-holders. Families are housed when a person is serving in the Defence Forces but when they leave the Defence Forces they have no alternative accommodation. Arising from that, the policy was agreed that it would be better for people to make their own arrangements regarding the provision of housing. The difficulty is that many people join the Defence Forces for relatively short periods. When they leave the service, if their house is tied to their employment, they are potentially homeless or else are left as over-holders of military property.

## **Naval Service at Haulbowline**

4.6. The Department was one of a number of Departments that was party to an action taken against the liquidator of Irish Ispat, the steelworks that adjoins the naval base at Haulbowline. The Department of the Environment, Heritage and Local Government has responsibility for the future of the site, including its remediation. Other than expressing an interest in extra berthage, car parking and rights of way for the Naval Service, the Department had not expressed an interest in the Irish Ispat site. The Department has always taken a proactive role regarding matters at Haulbowline, in which it has a vested interest. The Naval Service submitted observations, if not outright objections, to planning developments and environmental licensing requirements over the years. Given that the plant has been closed, the Department would like the amelioration works to be undertaken.

## **Army deafness claims**

4.7. The Committee noted that considerable savings were made on the estimate for army deafness claims. In 2003 new claims were received at a rate of four per week, where previously it had been 11 per week. The position as of 30 April 2005 was that a total of 16,736 claims had been received, of which 15,490 had been finalised. The corresponding figures up to 30 April 2006 are 16,760 and 15,605 respectively. A total of €184 million had been spent up to 30 April 2005 on compensation with almost €94 million on plaintiffs' legal costs. The difference between the expenditure and the estimate always has an unpredictable element. The costs of settlement have stabilised, or have tended to drift downwards. There is a formal memorandum of understanding between the Department and the State Claims agency. For some time it has been taking on all new claims. The exception is claims that arise from injuries to members of the Defence Forces on overseas service which, as a matter of policy, are still dealt with in the Department. Figures received up to May 2006 show that the number of claims appears to have leveled off – only nine in total have been received this year.

## **Army Pensions**

4.8. For Vote 37, Army Pensions, the full charge amounted to €144 million in 2003. This expenditure is a function of the numbers of persons who have retired from the Defence Forces and the rates of pay currently applicable to their successors. Appropriations-in-aid of this Vote amounted to €5 million. These were mostly contributions to Defence Forces spouses and children's pension schemes. The total number of people currently in receipt of a pension or allowance is 11,591. Of that figure, the largest single group consisted of just under 6,400 retired NCOs and private soldiers. Approximately 1,360 retired officers and 1,100 widows and widowers were in receipt of pensions. There were also 826 disability pensioners and a variety of other sub-categories.

4.9. Pension arrangements for members of the Defence Forces differ from the standard Civil Service terms in that personnel may retire on a pension at a far younger age than is generally normal for the public service. This arrangement has continued for a long time and takes into account the historical desire to encourage personnel turnover in the Defence Forces. The basic principle is that an enlisted member of the Defence Forces, that is, a private soldier or NCO, becomes pensionable after 21 years of service, regardless of age. An officer of the Defence Forces could potentially qualify for a small pension after 12 years of service, regardless of age. An initiative was taken by the Minister for Finance that future members of

the Defence Forces will not receive pensions before the age of 50. This change applied from 1 April 2004. People who were already serving by 1 April 2004 remain on the old scheme.

4.10. The Army pension payment system was introduced as a portion of pay but a rate is struck which increases alongside pay rates. It is more complex than other systems. A basic flat rate system varies according to rank. Personnel who retired after 1990 receive additional allowances in respect of military service. Additional allowances are also payable to those formerly in receipt of technician pay. The allowances are payable throughout the remaining lifetime of the pensioner.

4.11. NCOs had effectively flat-rate pensions that were supplemented by further flat-rate allowances of one sort or another. Officers' pensions are different from the rest of the public service and also different from enlisted personnel. Officers receive set rates of pension which vary according to service, but they do not vary on the same basis as the Civil Service. The maximum pension entitlements would ultimately work out around the same but one would achieve that for a shorter period of service. An officer who takes a pension after 12 years would receive a pension of the order of 10% to 15% of basic pay. Broadly speaking, an officer would need 20 odd years' service to qualify for a full pension.

### **Disability Pensions**

4.12. 826 people were in receipt of disability pensions as at 31 December 2003. The disability pension is paid as an additional pension but there are arrangements for co-ordinating pensions when two pensions are paid. There might be some abatement under those rules. Disability pensions carry on for life or cease at age 66. One can understand the distress for people who had up to 31 years service and many additional increments on their pension and some of whom, when they reached old-age pension age had a reduction of €375 in their monthly pension from the Defence Forces, notwithstanding the fact that they are getting the old-age pension. A disability pension may be paid, following retirement, to a former member of the Permanent Defence Force in respect of a permanent disablement due to a wound or injury attributable to military service, whether at home or overseas, or to a disease attributable to or aggravated by overseas services with the United Nations force. An application for a disability pension in respect of psychiatric or depressive injury could be considered if the condition was due to a wound or injury or to overseas service.

## **5 Adoption of Reports**

5.1. The Committee noted Votes 36 and 37 of the 2003 Appropriation Accounts.

## **6 Findings and recommendations**

### **The Committee of Public Accounts**

#### **Finds Specifically that:**

1. Good progress is being made in the modernisation of property and equipment of the Defence Forces, in line with the 2000 White Paper. The modernisation is funded significantly from the proceeds from the disposal of Defence property assets.



2. The Department has transferred some surplus land to the Department of the Environment, Heritage and Local Government as part of the affordable housing scheme.
3. The loss of hearing claims are coming to an end. The cost to May 2005 for 15,490 claims finalised was €184 million in compensation and €94 million on plaintiffs' legal costs. The comparable figures to May 2006 are 15,605, just less than €186 million and almost €95 million.
4. Some changes have been made to army pension arrangements where future members of the Defence Forces will not receive pensions before the age of 50.
5. Entitlement to disability pensions ceases on death or on reaching retirement age, when eligibility for old age pensions begins.

**And recommends in general that:**

1. The Department should endeavour to update periodically the value of the Defence property portfolio so as to facilitate medium to long term asset planning.
2. Consideration should be given to rationalising the pension scheme rules for the different entitlements. Persons on disability pensions should not be worse off on reaching eligibility for the old age pension.