

Minute of the Minister for Finance
on the Seventh Interim Report of the Committee of Public Accounts on the 2003
Report of the Controller and Auditor General - Department of Justice, Equality
and Law Reform; Department of Foreign Affairs; and Department of Defence

The Minister for Finance has examined the Committee's 2003 Seventh Interim Report and has taken account of its findings. In relation to the Committee's recommendations, his response is as follows:

1. Garda Síochána – Chapter 7.1

- **The performance of the Fixed Charge Processing System (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**

The Minister for Finance has been advised by the Department of Justice, Equality and Law Reform that there have been significant developments in the Garda Fixed Charge Processing System (FCPS) since the beginning of 2006 which will greatly assist in the implementation of the recommendation. On 2 February 2006, following completion of development work, the system was extended from the pilot areas to the whole country. On 3 April 2006, the system was extended to an additional 31 penalty points to encompass 35 penalty point offences. On 10 April 2006, the system was integrated with the PULSE system, thereby enabling single summons applications to be generated.

The Minister has been further advised by the Department of Justice, Equality and Law Reform that FCPS now covers all the offences which most impact on road safety. The offence of using a mobile phone while driving was added to FCPS from early September 2006. In conjunction with this extension of FCPS, the processing of fixed charge payments by An Post (rather than by An Garda Síochána) is now taking place in all computer-supported Post Offices, of which there are almost 1,000. In addition, An Post is handling postal payments via their service Bill Post.

The Minister has been informed by the Department of Justice, Equality and Law Reform that the national rollout of FCPS has significantly enhanced management information and consequently the ability to monitor performance by reference to targets, timeliness and enforcement as referred to by the Committee. The Minister is further informed that fixed charge notices are being issued in a timely fashion with a file of newly recorded incidents being sent electronically to an external service provider (TICO) on a daily basis and notices being issued by that service provider on the day. The Minister is advised that as a result of these developments in the computerisation of the system, monitoring of the operation of FCPS will be much improved enabling efficiency indicator targets including spoilage rates, the timeliness of the issue of notices and the enforcement of non-payment to be accurately measured. He is also advised that it will be possible to take urgent action on foot of this better monitoring and to further improve performance as necessary.

- **Future investments in equipment should have due regard to imminent changes in technology such as a move from analogue to digital based equipment**

The Minister for Finance has been advised that the Department of Justice, Equality and Law Reform and An Garda Síochána fully agree that the most up to date technology should be used in the promotion of Road Safety. In this regard the Road Traffic Act 2006 includes a provision to allow the outsourcing of the provision and operation of safety cameras. Work is currently underway on researching what the market has to offer and specifying requirements, directed towards the preparation of an approach to the market.

The Minister is informed that, as part of this work, the use of up-to-date technology, such as digital equipment, and emerging technology will be examined. It is recognised that state of the art equipment is digital, and the Department of Justice, Equality and Law Reform expect that the proposals received from the market will address this issue.

The Minister for Finance is further advised that the process of updating camera technology currently in use has commenced. The equipment used in six speed detection vans has been replaced with up-to-date digital technology, with further plans to continue replacing equipment used in other camera technology.

- **There should be a single unit with overall accountability for the implementation and performance of the FCPS.**

The Minister has been advised by the Department of Justice, Equality and Law Reform that this recommendation has been implemented. With national rollout of the full FCPS system now implemented, the Garda Fixed Charge Processing Office is responsible for the operation of the system. The Office reports to the Garda National Traffic Bureau, which has overall responsibility for road traffic law enforcement by An Garda Síochána. Since October 2005 management accountability and responsibility has transferred to the Garda Assistant Commissioner of Traffic. The personnel strength (all ranks) of An Garda Síochána increased to a record 13,000 on 16 November, 2006, following the attestation of 299 new members. The Minister is informed that, in tandem with this increase, additional members are being assigned to the Traffic Corps. The Assistant Commissioner in charge of Traffic has been tasked with implementing the recommendations contained in the Strategic Review of Traffic Policing which will see 1,200 personnel attached to the Traffic Corps by 2008 on the following phased basis.

Year	Strength
2006	805
2007	1,030
2008	1,200

The Minister is advised that the new members will be assigned to areas identified to be in most need of additional resources to pursue enforcement strategies.

- **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.**

The Minister for Finance has been informed by the Department of Justice, Equality and Law Reform that a single agency i.e. the Road Safety Authority (RSA) vested on 1 September 2006 will have a significant input into advancing the road safety agenda in the future. This will facilitate implementation of the Committee's recommendation. Responsibility for the collection of structured information on road safety, including the publication of the annual Road Collision Facts Report, now lies with the Authority. The Minister is advised that the statistics relating to the Road Collision Facts Report 2005 are currently being analysed and authenticated by the RSA in preparation for publication. It is expected that the 2005 Report will be finalised by the Road Safety Authority towards the end of January 2007 and it will then be laid before the Houses of the Oireachtas. The Minister is informed that the annual Road Collision Reports provide a significant amount of knowledge that supports and informs the deployment of road safety measures, which are pursued within the planning framework of the multi-annual Road Safety Strategies.

The RSA will also have a central role in conducting, commissioning and coordinating a broad range of road safety research functions. The Minister is advised that this will result in a more integrated approach to road safety policy generally, with one agency responsible for road safety research, statistical data, advertising, education and recommendations regarding road safety policy.

The Minister is informed that An Garda Síochána are currently reviewing their data collection processes in this area and that, in addition, they are expanding their network of forensic traffic collision investigators, which will also improve the standard of data collected.

The Minister for Finance has also been advised by the Department of Justice, Equality and Law Reform that the primary immediate investigative role in relation to road accidents is vested in An Garda Síochána. He is further advised that priority in such an investigation must be given to the determination of the causes of road accidents including, where appropriate, road construction or surface standards, and in particular whether a breach of the road traffic laws contributed to the occurrence.

The Minister for Finance is informed by the Department of Justice, Equality and Law Reform that Garda reports on these investigations, previously forwarded to the National Roads Authority, are now being forwarded to the newly established Road Safety Authority and subsequently to each local authority for the purpose of the establishment of accident trends and causes generally and to facilitate the carrying out of remedial works relating to road infrastructure where such action is deemed to be necessary.

The Committee may wish to note that information regarding causes of fatal road collisions was previously prepared by the National Roads Authority (NRA) based on reports from An Garda Síochána and published by the Authority in their annual Road Accident Facts reports. The most recent report is in respect of 2004 and that report is available in the Oireachtas library and on the NRA website. As indicated above responsibility for the annual report now lies with the RSA and the Minister is informed that the report in respect of 2005 will be published by that body early in 2007.

- **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.**

The Minister for Finance has been advised by the Department of Justice, Equality and Law Reform that it accepts that the introduction of 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, is an issue that needs to be addressed. The Minister is advised that it is likely to be considered in the context of the reform of the law in relation to Coroners and that a Coroners Bill which will reform the legislation in relation to coroners and provide for the establishment of a full-time Coroner Service, is currently being drafted with a view to publication early in 2007.

The Minister for Finance has been informed by the Department of Justice, Equality and Law Reform that the first Road Safety Strategy (1998 – 2002) used the number of collisions occurring between 9 pm and 3 am as an indicative measure for the level of intoxicated driving in Ireland. Levels of detection by An Garda Síochána of intoxicated driving also indicate the scale of and trends in the problem. The Minister has also been informed that, in addition, the introduction of mandatory alcohol checkpoints under the Road Traffic Act 2006, from 22 July 2006, has improved the data available in terms of the extent of drink driving. He is advised that Gardaí are now in a position to carry out breath tests without the need to form an opinion that an intoxicant has been consumed, which should result in improved data with regard to the level of drink driving. There were 367 people killed on our roads in 2006, 29 less than in 2005. The Minister is also advised that while the rate of fatal road traffic collisions has fallen significantly, it is too early to say there is a sustained trend or that the change is directly attributable to the Mandatory Alcohol Testing legislation.

The Committee may also wish to note that in the Department of Forensic Medicine, UCD, a pilot study on road traffic crashes has been carried out in relation to the coroner's district of Kildare for a ten-year period. This report deals with a specific type of collision (single-vehicle, late night collisions). The Minister is informed that the results of this study, which were published on 5 December 2006, show that young male drivers are particularly at risk and that the Single Vehicle Collisions (SVCs) are most likely to occur on a weekend between the hours of 20:00 and 04:00hrs on regional roads. The results also show that the majority of driver fatalities in an SVC are well in excess of the legal limit for drink driving, with the greater number being over twice or three times the limit.

The very high levels of alcohol and the frequent reference to high speeds and/or overtaking contained in the report, are causes for concern. The report states that it is a lack of driver education and responsibility which contributes in a large way to the tragic crashes on our roads. The Minister is advised that the measures put in place including a new dedicated Road Safety Authority, significant additional Garda resources, better enforcement and stronger laws are all aimed at countering the factors reported on in the UCD study.

2. Department of Foreign Affairs – Votes 38 and 39

- **The Department should strengthen auditing and oversight mechanisms in view of increasing expenditure particularly in the area of budgetary support given to certain countries.**

The Minister agrees that robust auditing and expenditure oversight mechanisms are necessary in all bodies dealing with the public finances and recognises that the nature of Official Development Assistance (ODA) involving Irish expenditure in foreign countries, often where there are particular financial and administrative risks, means that financial systems and procedures for ODA must be particularly strong. In the context of the significant increases in Ireland's ODA budget – which has grown steadily from €142m in 1996 to €814m in 2007 and is set to climb further over the next few years – the Minister has been particularly keen to ensure that appropriate systems and structures are in place. To this end, he recently agreed to his Department working with the Department of Foreign Affairs to review its Official Development Assistance systems and structures.

The Minister has been informed by the Minister for Foreign Affairs that the Department of Foreign Affairs has already taken measures to strengthen its audit and oversight mechanisms. For instance, it has strengthened the staffing of the Evaluation and Audit Unit from five to nine while it has increased the number of locally hired internal auditors from three to six. The locally hired auditors now report directly to the Evaluation and Audit Unit.

The Minister for Foreign Affairs has also informed him that all proposals for expenditure are subject to a comprehensive appraisal process carried out by the Programme Appraisal and Evaluation Group. This appraisal tests for quality, poverty focus, sustainability and adherence to policy. The Group is assisted by external consultants who evaluate the proposals before they are submitted for consideration. Risk assessment is carried out as part of the appraisal process. Irish Aid also engages in regular dialogue with partners and conducts programme visits to monitor progress, both bilaterally and jointly with other donors. The Minister is informed by the Department of Foreign Affairs that programmes are subject to regular formal joint review missions by donors to assess whether key indicators have been met as agreed.

The Minister is advised that, prior to any decision to provide aid through a National Government, there are a number of processes undertaken including:

Commissioning of joint assessments, including, for example, risk analyses, country financial accountability assessments and public expenditure reviews. At a National partner Government level, these assessments are usually led by the IMF/ World Bank using formal tools that have gained international acceptance. These assessments are generally conducted on a regular ongoing basis to measure progress;

Agreeing of key benchmarks or indicators which the partner Government undertakes to meet; and

Participating in fora for high level dialogue with the partner Government

As the funding provided by Irish Aid is generally earmarked for specific purposes or sectors, the Minister is advised that it works closely with the relevant government ministries in preparing sector plans.

The Minister for Foreign Affairs has informed the Minister that all aid given through partner Governments is kept under continuous review and where there are concerns, Irish Aid will take action to ensure that this is signalled appropriately.

- **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.**

This recommendation, which accords with established government policy, is accepted.

The Minister has been informed by the Department of Foreign Affairs that all its contacts with key figures in the US administration and legislature, including the St. Patrick's Day meeting of the Taoiseach and the Minister for Foreign Affairs with the US President, are availed of to emphasise Ireland's strong support for measures that would enable the undocumented to regularise their status and open to them a path to permanent residency. The Minister for Foreign Affairs has visited the US on a number of occasions to reiterate to legislators the importance which the Government attaches to this issue.

The Minister has also been informed that the Irish Ambassador and diplomats throughout the US are very active in promoting the interests of our citizens there. The Department of Foreign Affairs strongly supports Irish community organisations, maintains close contact with, and financially assists, the Irish Lobby for Immigration Reform which is very active in representing the views of the Irish in the US. Furthermore, the Department of Foreign Affairs has substantially increased over recent years its financial support to the Irish immigration centres engaged in delivering welfare, information and advisory services to our community in the US.

The Minister is assured that the Department of Foreign Affairs attaches the highest priority to representing the interests of this vulnerable section of our community abroad.

3. Department of Defence – Votes 36 and 37

- **The Department should endeavour to update periodically the value of the Defence property portfolio so as to facilitate medium to long term asset planning.**

The recommendation of the Committee is accepted.

The Minister is informed by the Department of Defence that that Department maintains a register of all its property holdings that includes the location and area of each property together with essential information relating to Title, etc.

The Department of Defence completed in 2005 an in-house estimate of valuation of its property portfolio, based on local market values/conditions, in so far as they can be determined, and from experience gained from recent disposals. This estimate of valuation can be updated taking account of market conditions generally. This exercise indicated a value in the region of €1 billion overall.

To endeavour to maintain up-to-date valuations of the Department of Defence property portfolio, by employing the services of professional valuers, would not be a cost effective exercise. With regard to the determination of the properties values, it is recognised that market forces will determine the commercial value of any particular property. The Department of Defence obtains up-to-date open market valuations when individual properties are being put on the market taking account of the prevailing conditions, local demand, current zoning, etc.

- **(i) Consideration should be given to rationalising the pension scheme rules for the different entitlements. (ii) Persons on disability pensions should not be worse off on reaching eligibility for the old age pension.**

(i) “Consideration should be given to rationalising the pension scheme rules for the different entitlements.”

The Minister for Finance is informed by the Department of Defence that significant progress is being made in regard to rationalising the pension scheme rules. As noted by the Committee, new occupational (service) pension arrangements apply to persons recruited to the Defence Forces on or after the 1st April 2004. These will bring Defence Forces pension arrangements more into line with conventional public service pension schemes generally. Briefly, the new arrangements will provide for application of the same general superannuation provisions to all military ranks and will include a minimum pension age of 50 with preservation of benefits to age 60 in other cases; maximum benefits will accrue over a period of 30 years. The detailed terms are being finalised by the Department of Defence (in conjunction with the Department of Finance) in consultation with the Defence Forces Representative Associations.

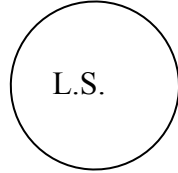
(ii) “Persons on disability pensions should not be worse off on reaching eligibility for the old age pension.”

The Minister for Finance is informed by the Department of Defence that disability pensions are granted to former members of the Defence Forces under the *Army Pensions Acts 1923 to 1980* and are additional to any entitlements under the Social Welfare Acts. Such disability pensions, which are payable for life, are not subject to integration with Social Insurance pensions nor is there any reduction in the rate of disability pension when the pensioner qualifies for the Old Age Pension. Thus, there is no question of an Army disability pensioner being worse off at that stage.

The Committee may wish, however, to note that occupational (service) pensions are granted to former members of the Defence Forces in accordance with the *Defence Forces (Pensions) Schemes* made under the *Defence Forces (Pensions) Acts 1932 to 2004* (that is, pensions which are related to service and not to disability). Such service pensions may be liable to *integration* with Social Insurance pensions. The principle of integration is not unique to the Defence Forces but is applied elsewhere in the public service and indeed in many areas of the private sector. The details of its operation in respect of Defence Forces pensions are set out in the detailed note ‘Integration of Defence Forces Occupational Pensions with Social Welfare Pensions (Vote 37)’ which was sent by the Department of Defence to the Committee on the 3rd July 2006. It should be noted that the maximum personal rate of the Old Age Pension (and Retirement Pension) is considerably greater than any financial loss arising from the cessation of payment of additional increments in the case of retired enlisted personnel covered by the existing Schemes, so overall there is no question of their being worse off at that stage (paragraphs 2 to 5 of the note refer). The Department of Defence informs pensioners in advance when integration is being applied.

The Department of Defence has also advised that there is separate provision in the Defence Forces Pensions Schemes whereby, when a person in receipt of a service pension under those Schemes is awarded a disability pension under the Army Pensions Acts, the service pension is reduced. In general, the service pension is reduced by an amount equal to one-half of the smaller of the two pensions. This is commonly known as ‘abatement’ and applies to commissioned officers and enlisted personnel alike. These provisions are longstanding and the objective is to limit the total amount payable by way of pension. The principle involved is not unique to the Defence Forces and is applied generally in the public service. The disability pension is paid in full and the service pension is reduced. There is an advantage to the pensioner in this arrangement in that the disability pension is exempt from income tax.

Given under the Official Seal
of the Minister for Finance this
First day of February, 2007



David Doyle
Secretary General
Department of Finance