



GOVERNANCE AND PUBLIC POLICY REPUBLIC OF IRELAND

Diploma stage examination

6 December 2007

From 2.00pm to 5.00pm
plus ten minutes reading time from 1.50pm to 2.00pm

Instructions to candidates

There are **five** questions on this question paper

Answer **four** questions in total

Both compulsory questions from **Section A**
Two of the three questions from **Section B**

Question 1 in Section A carries, in total, **50** marks

Question 2 in Section A carries, in total, **20** marks

The questions in Section B each carry a total of **15** marks

All workings should be shown. Where calculations are required using formulae, calculators may be used but steps in the workings must be shown. Calculations with no evidence of this (for example, using the scientific functions of calculators) will receive no credit. Programmable calculators are not permitted in the examinations room.

Formula sheets, Proforma booklets, statistical tables, graph paper and cash analysis paper are available from the invigilator, where applicable.

Where a question asks for a specific format or style, such as a letter, report or layout of accounts, marks will be awarded for presentation and written communication.

PRE-SEEN MATERIALS

These materials are intended to introduce and illustrate the theme of Question 1 of the Governance and Public Policy examination.

The content of the CIPFA Open Learning Material (OLM) is sufficient for students to successfully address the issues relating to the pre-seen materials in Question 1. But you may also find it useful to study other materials, in addition to the OLM, which will help you to further develop your understanding of the theme.

Examples and illustrations, drawn from such further study, will be awarded appropriate credit by the Examiner, where they are relevant to the requirements of the questions set.

Extracts from:

**Benchmarking the Public Service – OECD Review of the Irish Public Service
- Speech by the Taoiseach, Mr Bertie Ahern TD, December 2006**

As the New Year begins, it is clear that the Public Service will continue to make an important contribution to meeting the challenges and opportunities that face us as a country. To help maximise this contribution, I am inviting the Organisation for Economic Co-operation and Development (OECD) to undertake a major review of our Public Service.

This will be the first review of its kind in terms of its scope undertaken by the OECD. Of course, many stand-alone reviews have been undertaken over the years of different parts and aspects of the Public Service in Ireland. However, this Review will examine the whole Public Service. There will be a particular emphasis on how the various parts relate to each other, including the Civil Service, particular sectors such as local government, health and education as well as agencies. The OECD will tell us how the Irish Public Service compares with the best in the world and it will make recommendations as to future directions for reform. There may be some stark messages for us arising from this Review but we should be prepared for them and be prepared to make the hard decisions which reforms often require.

Addressing the pressure points

The Public Service plays an important role in shaping our economy and society. It is vital that the Public Service fulfils this role into the future, but that it does so in the most effective and efficient way possible. Over the past ten years our public services have been expanded, improved and reformed and this work continues apace.

More doctors, teachers and gardai are employed than ever before. These areas represent the "coal face" in Public Service terms: where the real value added lies. The extra teachers, nurses and gardai are making an impact. Significant service improvements have been made and many peoples' direct experience with the public service is good - with some obvious exceptions in pressurised areas. But we need further reform. The delivery channels must be improved and my Government colleagues and I are determined that they will be freed up and made more effective. This is where the OECD comes in.

Delivery is crucial

We want the OECD to examine rigorously the connections between the investment decisions that are being made around the Cabinet table in Government Buildings and delivery on the ground around the country, in the key areas of services and infrastructure affecting ordinary people. I am looking to the OECD, as a highly respected international expert body, to provide us with appropriate recommendations based on best practice from other countries, including delivery with the private and not-for-profit sectors. We want the OECD to examine how Government priorities and decisions are

translated into services and outcomes for citizens, and how these processes can be improved.

In short, I want our Public Service to be genuinely world class and "fit for purpose" to meet the needs of all our citizens.

A lot of change has taken place already in areas of financial management, human resources management, regulatory reforms, eGovernment initiatives, and customer service delivery mechanisms. But we need to show delivery on the ground, to highlight what is working, what is not and to help us make better informed choices about where to allocate resources.

Organisational "health checks"

While the OECD Review will be looking at how our public service system as a whole operates, there are three other developments that will be brought forward in 2007. Firstly, individual Departments and Agencies should be able to demonstrate their own performance and capacities - in effect they should undergo an "organisational health check". This would complement existing external review and accountability mechanisms applied by the Oireachtas, the Comptroller and Auditor General, expenditure reviews etc. Accordingly, a template is being developed and will be piloted for this kind of organisational "health check" in the coming months. This will involve peer review by senior public service managers, but will also draw on expertise from business, academic experts and other stakeholders.

Creating new leaders

The second area where there will be progress is a new leadership initiative for the whole Public Service. Change and reform require leadership at the political level, but also leadership within the Public Service. I want the Public Service to continue to be led by people with the right skills and capacities to serve the needs of all our citizens. That means encouraging and enabling career development across the wider public service. It means encouraging greater interaction and mobility with the private sector. It also means breaking down internal barriers to the selection and deployment of the best people for the job. In short, it means ensuring that we have the best people leading our Public Service in the years to come from a variety of backgrounds and with different skill sets.

Measuring our performance

Finally, I believe that we need to be able to measure how the Public Service is doing. I am certain that the Public Service is better now than it was when I first entered public life in the 1970's. But it is sometimes difficult to prove it. A lot of work is being done, particularly as part of the budget process, to develop appropriate and useful indicators of performance. My colleague the Minister for Finance, Mr Brian Cowen, T.D., is leading the way on this by asking Government Departments and Offices to produce more detailed performance information in the form of Annual Output Statements. Better measurement is a challenge for us collectively, particularly as we need indicators to show, not just the progress achieved by individual organisations, agencies or programmes but the progress of these combined.

The expectations of all our citizens are, quite correctly, very high when it comes to the Public Service. A key challenge for the Public Service is to continue to justify public confidence in its ability to deliver. I know that public servants are themselves anxious for reform and have already shown a strong appetite for change. The initiatives I am taking will be led by the Secretary General to the Government. He and his colleagues will draw on the expertise of the many outside the public service who can contribute to continuing change. We should be prepared for the key messages that will come out of the OECD's work in 2007 and we will ensure renewed vigour in our efforts to change, modernise and improve the Irish Public Service.

SECTION A (Compulsory – answer both questions)

1

This question is based on the pre-seen material, *Benchmarking the Public Service – OECD Review of the Irish Public Service*, a speech by the Irish Taoiseach in December 2006.

• **Requirement for question 1**

- (a) The Irish public service have been undergoing a period of extensive and intensive reform since 1996. Discuss the origins and principal goals of the reform agenda. 12
- (b) The pre-seen material discusses the wide range of areas where reforms have already taken place. Discuss three of them in some detail. 12
- (c) What are the review and accountability mechanisms applied by the Comptroller and Auditor General referred to in the pre-seen material? 7
- (d) What is the membership and roles of the Implementation Group of Secretaries-General? 7
- (e) There has been considerable criticism of the public service reforms in Ireland and elsewhere. What are the basis of these criticisms? 12

(50)

2

Public policy can be defined as a set of ideas and proposals for action, culminating in a government decision. To study policy is, therefore, to study how decisions are made.

- **Requirement for question 2**

- (a) Outline the eight principal theoretical models that purport to explain the public policy decision-making process in western liberal democracies. 16
- (b) To what extent do any of the eight models outlined in (a) above inform us about how decisions are actually made? 4

(20)

SECTION B (Answer two from three questions)

3

There have been a number of changes in public sector financial management in the last decade. These changes included the increasing devolution of financial management; and the gradual shift in central government financial control from cash accounting to accrual accounting.

• **Requirement for question 3**

- (a) Briefly outline the key issues that need to be considered when designing devolved financial management systems. 7
- (b) Outline the key differences between cash accounting and accrual accounting. 4
- (c) Explain the three main ways in which the change to accrual accounting affected managers. 4

(15)

4

During the 1980s and 1990s, there was a large rise in the number of Non-Departmental Public Bodies (NDPBs), more often referred to as agencies. These were created as part of a restructuring and streamlining of government, to carry out the executive rather than the policymaking functions of government. They usually operate with a degree of freedom from their government departments.

- **Requirement for question 4**

- (a) Agencies in Ireland are typically classified into a number of different types. Identify six types, giving an example of an agency that falls into each classification 6
- (b) Outline the criticisms are typically leveled at government by agencies 9

(15)

5

From 1932 until 1989, Fianna Fáil refused to form coalition governments, forcing the main opposition parties to coalesce in order to form a government or otherwise leaving Fianna Fáil the ability to form single party governments on several occasions. However, since 1989, Ireland has experienced only coalition governments, and all except one have included Fianna Fáil.

- **Requirement for question 5**

- (a) Outline the impact of the change in Fianna Fáil policy on coalitions on the Irish party system. 7
- (b) Why is the Irish party system unlike other European political party systems? 8

(15)
