

**GOVERNANCE AND PUBLIC POLICY
REPUBLIC OF IRELAND**

Diploma stage examination

8 June 2006

MARKING SCHEME



Question 1

(a) (i) What are the principal sources of revenue for local authorities in Ireland?

The principal sources of Revenue for local authorities include:

- Grants from the Local Government Fund
- Specific grants from the Exchequer
- Commercial Rates
- Service Charges

1 mark each up to a maximum of 4

(ii) Under Better Local Government, what reforms have taken place in terms of the sources of local government revenue and the accounting procedures that have taken place in local authorities?

Revenue reforms include: Ring-fencing of Motor Tax and transfer to Local Government Fund, abolition of domestic water and sewerage charges

2

Accounting procedure include: Switch from cash-based system to full accrual accounting based on double entry and incorporating a full balance sheet.

2

(iii) What are consequences of there not being a system of local taxation on domestic properties in Ireland?

Answer should include:

- Erosion of link between service provider and users
- Lack of political accountability for local services
- Decline in interest amongst citizens concerning role of local authorities
- Reliance of local authorities on central government

1 mark each up to a maximum of 4

(b) (i) What are the principal functions of local authorities in Ireland by programme group?

- Housing and Building
- Roads and Transportation
- Water and Sewerage
- Planning and Development
- Environmental Protection
- Recreation and Amenity
- Agriculture, Education, Health and Welfare
- Miscellaneous
- Community and Enterprise

1 mark for 1-3, 2 marks for 4-6 and 3 marks for 6, up to a maximum of 3

(ii) What are the roles of City/County Development Boards and their relationship to local authorities?

The role of CDBs is to prepare and oversee the implementation of a ten year county/city strategy for economic, social and cultural development, which will provide the template guiding all public services and local development activities locally. Local authorities are a partner in the CDB process along with other stakeholders and take a lead role in certain activities under the CDB strategy.

1 mark for each part of the answer up to a maximum of 2

(iii) What role do local authorities now play in 'Community and Enterprise'?

Local authorities play a significant role in this area. Involved in Area Development Management (ADM), Area Partnerships, City/County Enterprise Boards & LEADER groups. Also, issues of local social partnership, co-ordination of service delivery, cultural development etc

3

(c) (i) Explain with examples the role of local authorities with respect to the National Development Plan 2000-6.

Role of local authorities with respect to NDP includes:

- Acting as 'enabler' for capital investments in roads, housing, water, broadband, and urban and village renewal.
- Collection of data on roll-out of NDP
- Co-ordination with other local authorities to oversee implementation of regional investment schemes under NDP
- Co-production of reports on implementation of NDP

1 mark each up to a maximum of 4

(ii) Explain the role of the BMW and S&E Regional Assemblies.

Role of Regional Assemblies:

- Promotion of co-ordination of public services
- Advise on regional dimension of NDP
- Monitor EU programmes
- Manage Regional Development Operational Programmes

1 mark each up to a maximum of 4

(d) (i) Discuss the reasons why such an imbalance has come into being.

Answers should address some or all of the following issues:

- Abolition of domestic and agricultural rates
- Reliance by local authorities on central government funding
- Involvement of national politicians in local issues due to nature of electoral system
- No regional devolution of powers

2 marks for each and 3 for overall understanding up to a maximum of 11

(ii) Explain why Irish governments have traditionally been reluctant to accede to requests to devolve power to local authorities.

Answers should address some or all of the following issues: Traditional skepticism of local authorities by central government

- Adversarial politics and consequent reluctance of governments to lose power
- Small country with central control over decision-making and disbursement of funds, including EU funds
- Lack of public interest/demand for such a development

*Up to 8 marks for points made and 3 marks for overall understanding
both up to a maximum 11*

(50)

Question 2

- (a) Outline CIPFA’s six fundamental ethical principles, indicating which of them are relevant to the situation being faced by the Sinéad and the two other members of the team.**

Integrity

It is essential for members to retain a reputation for: integrity, honesty, trustworthiness, fair dealing and truthfulness (is it appropriate for the new accountant to report on a subject that directly affects her?).

Objectivity

Decisions should be based on available evidence and not on personal opinions or prejudices (should the new accountant disqualify herself from the new benefits package?).

Competence and Due Care

Members should not agree to carry out tasks for which they are not competent (does the new accountant have the necessary skills to draw up the package?).

Confidentiality

Members must respect the confidentiality of information about an employer’s or client’s affairs.

Proper Conduct

Members must not engage in conduct that would prejudice public confidence in their professional capacity (should the new accountant be involved in meetings that discuss her personal situation?).

Technical and Professional Standards

Must comply with standards set by CIPFA, IFAC, Parliament, Accounting Standards Board, etc, etc.

The principles applicable to the case are shown in bold. 1 mark for each principle identified and explained, up to a maximum of 6 marks. Up to 3 marks in total for identifying the principles applicable to the case. Both add up to a maximum of 9.

- (b) Explain the course of action you feel that Sinéad and the two other members of the team should take in this situation.**

Suggested Course of Action

There is a case to be made for the team not to be involved in the report's authorship at all, but assuming that this option has been rejected, the following course of action is suggested.

The team needs to provide a comprehensive report that clearly sets out the full implications, costs, benefits and tax implications, which apply. The team should take professional human resource advice to ensure that the report is based on sound human resource management principles in addition to financial considerations.

The report should provide an assessment of the likely effect the new benefits package is expected to achieve, so the board can form its own view on the value for money to be attained. The report should clearly declare the team’s personal interest

in the matter and should be a joint report from the team and the head of human resources. With respect to the team's personal position it should ask the head of human resources to write this aspect of the report. The report should also recommend to the board that in future, such matters should be dealt with by a remuneration committee.

Before the report is presented to the board, the team should ensure that the chief executive is fully aware of the issues and it's personal interest. The team should ask the head of human resources or the chief executive to present the report to the board. The team should not be present at any meeting that considers the personal position of its members.

*1 mark for each relevant and reasonable point well made,
subject to an overall maximum of 7*

(c) Demonstrate how your recommended course of action for Sinéad and the two other members of the team fits with the relevant fundamental ethical principles that you identified in 2 (a) above.

Integrity, by:

- Asking the head of human resources to author that part of the report which affects it.
- Asking that officer or the chief executive to present the report. 1

Objectivity, by:

- Recognising the conflict of interest and submitting a joint report to the board from the team and the head of human resources, setting out all the implications.
- Recommending that a remuneration committee be set up.
- Providing the board with continuing professional advice and information on the outcomes of the scheme. 1

Competence and due care, by drawing on human resources expertise, both for the general benefits package and its specific application to members of the team. 1

Proper conduct, by being absent from any meeting when the team members' personal cases are being considered. 1

(4)

(20)

Question 3

(a) What are the main functions performed by agencies?

- Policy Advice
- Policy Implementation
- Regulation

1 mark each up to a maximum of 3

(b) What is the role of the Board in a State Agency?

The Board of a State Agency has responsibility for:

- Strategy (Development and Monitoring)
- Decision-making (on HR, Policy, Finance etc)
- Obligations under the Code of Practice for Governance of State Agencies (Financial reporting, accountability and standards)

2 marks for general discussion around each of these points up to a maximum of 6

(c) Identify and discuss the methods by which agencies are held accountable to their parent Departments.

While agencies in Ireland are largely independent of control in their day-to-day operations, the exercise of some functions, particularly major financial ones, is subject to ministerial approval. However, there are a number of other ways in which agencies can be held accountable to their parent Departments. These include the requirements for auditing and accounting procedures; production of annual reports and submission of them to the Dáil; and business plans and strategy statements. The boards of the organisations have a key oversight role in this regard.

6

(15)

Question 4

- (a) What are the principal differences between political parties and pressure groups? How can we best understand the different categories of interest group in Ireland?**

Political parties compete at elections to control the levers of government at local, national and European level, and they have a broad membership concerned with a range of issues. Interest groups tend to focus on particular issues and do not compete at elections but seek to influence politicians and public opinion. 2

Irish interest groups are often distinguished between those that are *sectional* and those that are *cause-based*. Sectional groups are concerned with broad issues and would include the Irish Farmers Association, Irish Medical Organisation and the Law Society of Ireland. Cause-based groups are concerned with specific issues affecting a range of people, and examples would include Conradh na Gaeilge, Society for the Protection of the Unborn Child, or the Society of St Vincent de Paul. 4

(6)

- (b) What is social partnership? Using examples, identify how social partnership changed the manner in which pressure groups in Ireland pursue their goals.**

Since 1987, the Irish government has engaged in social partnership agreements every three years. The main partners involved in the process are employers, trade unions and farmers. More recently, the community and voluntary pillar has become involved with the process. The partners agree on such issues as pay rates, working hours and tax concessions, and many argue that it is key to Ireland's recent economic success. 4

Social partnership has changed the manner in which pressure groups pursue their goals by:

- Encouraging links between such groups in attempts to find solutions to common problems (an example would be the emergence of the Community Platform)
- Encouraging a professionalisation of interest groups, including an increased emphasis on aligning strategy (an example would be the appointment of policy and research officers)
- Allowing for formal points of contact with central government and other 'social partners' (an example would be the use of quarterly plenary sessions to review progress on the overarching strategy) 5

(9)

(15)

Question 5

(a) What are the functions of the Freedom of Information Commissioner and the Comptroller and Auditor-General?

The function of the Freedom of Information Commissioner is to provide an independent review of decisions taken by public bodies in relation to requests for access to records. The Commissioner will also review the operation of the Act and will encourage further publication of information by public bodies. The Commissioner also reviews the operation of the Act and published commentaries on that operation.

4

The Comptroller and Auditor-General provides public assurance that public money is properly administered and well spent in non-commercial public bodies. There are 2 elements to this work: The Comptroller General role which is to control on behalf of the State all disbursements of public money; and the Auditor General role which is to audit all accounts of moneys administered by or under the authority of the Oireachtas.

4

(8)

(b) What is the role of the Standards in Public Office Commission? Identify in your answer some of the difficulties it has experienced to date in fulfilling its remit.

The Standards in Public Office Commission is responsible for supervision of the Electoral Act 1997, which has been amended a number of times. The role of the Standards Commission under the Electoral Acts relates mainly to matters such as disclosure and limitation of political donations, limits on spending at Dáil, European Parliament and Presidential elections, reimbursement of election expenses, Exchequer funding of qualified political parties, registration of third parties who are engaged in political campaigning, etc. However, difficulties have been encountered in terms of:

- Accounting for money spent in advance of an election formally being called.
- Ensuring that election officers understand what they must account for.

7

(15)