

# NATIONAL INTEGRITY SYSTEMS EXECUTIVE SUMMARY

TRANSPARENCY  
INTERNATIONAL  
COUNTRY  
STUDY

Ireland 2009



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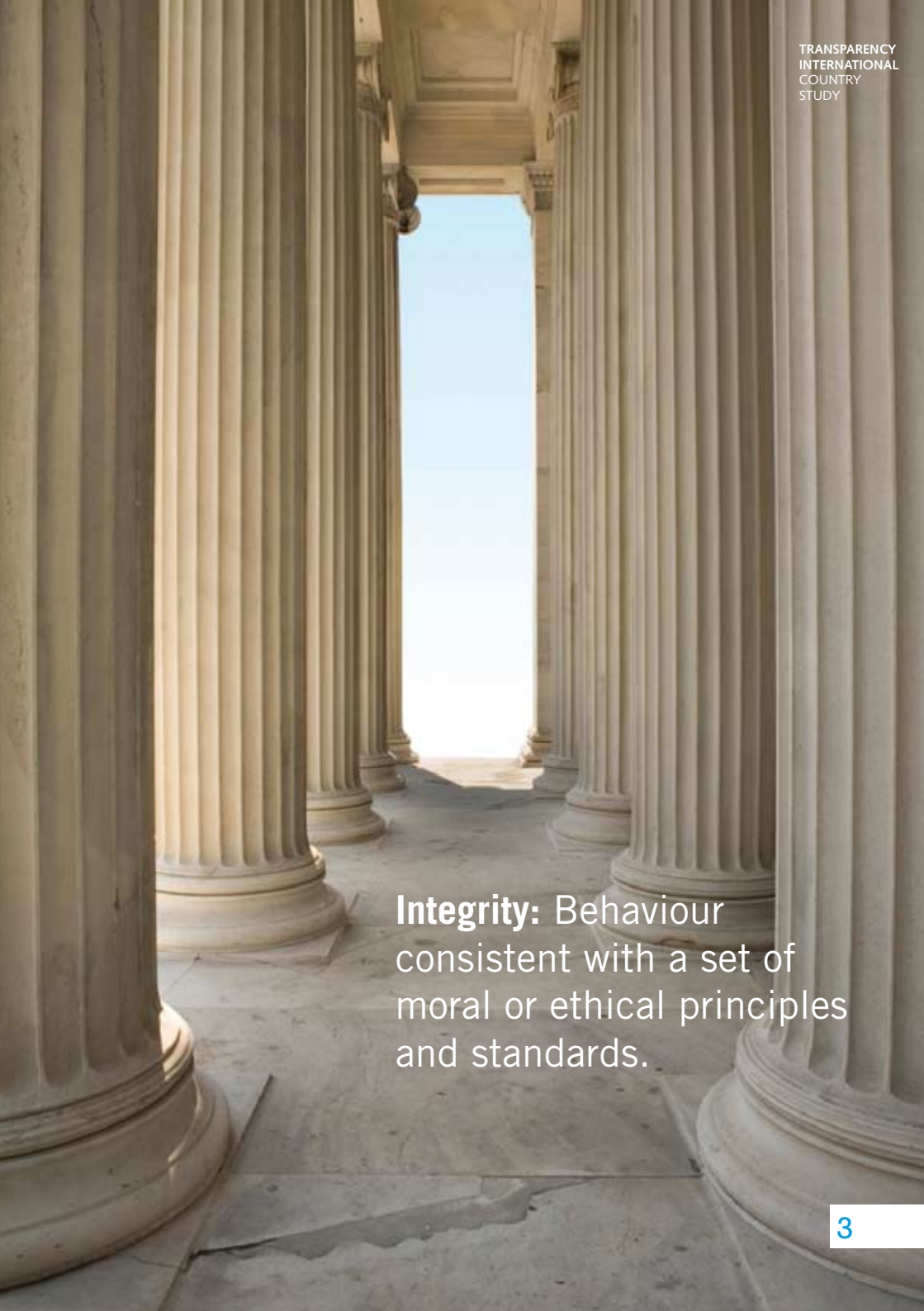
# National Integrity Systems

## Executive Summary

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**Integrity:** Behaviour consistent with a set of moral or ethical principles and standards.

## Note for Readers

Comments and observations on this study are very welcome and can be forwarded to Transparency International Ireland at [info@transparency.ie](mailto:info@transparency.ie). Future updates and revisions will be posted on its website, [www.transparency.ie](http://www.transparency.ie).

## Research Timeline

Primary research for this National Integrity Country Study for Ireland was led by Dr. Elaine Byrne between June 2006 and November 2006, and led by John Devitt between January 2007 and December 2008.

## Editor, Researcher, Project Coordinator

John Devitt, Chief Executive of Transparency International Ireland, Board Member of Transparency International, and Research Associate at the School of Business, Trinity College Dublin.

## Lead Researcher

Dr. Elaine Byrne, author of forthcoming book on corruption and PhD completed on the history of corruption in Ireland at the University of Limerick, Irish Times columnist.

## Assistant Researchers

Lee Daly, Krina Despota, Kelly McCarthy, Tom Rowe, Lorraine Whitty

## Research Review and Quality Control

Finn Heinrich and Sarah Repucci, Transparency International Secretariat

Ms. Carmel Cohalan

Professor Neil Collins, University College Cork

Professor Alan Doig, Fraud Management Research Unit, Teeside Business School

Dr. Terry Cradden

Professor Tom Lodge, University of Limerick

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Transparency Secretariat

Alt Moabit 96

10559 Berlin

Germany

[www.transparency.org](http://www.transparency.org)

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# EXECUTIVE SUMMARY



## EXECUTIVE SUMMARY

### *Overview*

Ireland has made substantial progress in strengthening legal and institutional safeguards against corruption over the past fifteen years. In addition, the scale of **'petty corruption'** is perceived to be amongst the lowest measured anywhere in the world. In spite of a number of revelations of political **'grand corruption'** during the 1980s and 1990s, there is little evidence that this type of corruption currently poses a major threat to the integrity of the State.

Significantly however, Ireland is regarded by domestic and international observers as suffering high levels of **'legal corruption'**. While no laws may be broken, personal relationships, patronage, political favours, and political donations are believed to influence political decisions and policy to a considerable degree. The situation is compounded by a lack of transparency in political funding and lobbying.

This National Integrity System (NIS) Country Study for Ireland highlights a range of strengths and weaknesses in legislation, law enforcement, and other aspects of government policy and business practice.

### *Strengths and Weaknesses*

The study notes the efforts made by successive governments and

legislators in addressing **conflict of interest** through legislation and codes of conduct. It also takes account of successive governments' role in promoting transparency and accountability through the establishment of bodies such as the **Standards in Public Office Commission (SIPO)**, the **Criminal Assets Bureau** and the **Office of the Director of Corporate Enforcement**. Concerted efforts have also been made to reform accountability and integrity systems within **An Garda Síochána** (the Irish police service).

Proposals on the reform of Local Government and electoral governance have been brought forward to public consultation. Meanwhile **audit committees** have been established in local authorities to improve financial transparency and oversight. Continued **computerisation** of some administrative functions including the filing of courts' and Garda files as well as public contracting and planning applications will also greatly help in preventing corruption. More recently, the Irish Government appears to have reacted positively to criticism by international organisations of its efforts to tackle bribery in international business transactions.

Overall Ireland's NIS could be described as relatively strong by global standards. Ireland is a parliamentary democracy with a Constitution providing for the **separation of powers** between the Executive, Legislature and Judiciary; an independent Comptroller and

Auditor General; and guaranteeing certain fundamental human rights.

**Asset Disclosure** and tax compliance declarations by politicians and Office Holders go some way to preventing conflicts of interest.

Ireland also has a **professional Civil Service** with a merit-based appointment system and a **Public Service Modernisation** programme that has increased accountability and efficiency within the sector. Elections are free and fair with little reporting of electoral fraud or irregularities. There is no Executive interference in the work of the Director for Public Prosecutions, while **no cases of Judicial corruption** have ever been recorded. There is also relatively little undue State interference in the work and governance of civil society organisations, business or the media.

Nonetheless there are significant gaps in Ireland's NIS that undermine the quality of Ireland's democracy and standards of governance. A tradition of **self-regulation** and a **crisis-led approach** to fighting corruption within Ireland's public service, professions, civil society and business has yet to be overcome. This is particularly evident in the financial and business sector, where **weak enforcement** of a principles-based approach to financial regulation has led to the country being branded by the New York Times as the 'Wild West of European Finance'. Anti-corruption planning has rarely been undertaken by Government or law enforcement

agencies. There are no clear **statistics** produced or published by the Gardaí on investigations or prosecutions for corruption, money laundering or the foreign bribery offence. Neither is it clear whether adequate resources are being applied to either the investigation of corruption and money laundering or the confiscation of the proceeds of corruption.

Comprehensive **whistleblower safeguards** have yet to be fully implemented across both the public and private sector, with the Government instead adopting a sectoral approach to shielding those employees who report concerns of public interest in good faith. There is no compulsion on civil servants to report evidence or instances of corruption. Anonymous reporting to the authorities is not permitted for offences under the Ethics or Prevention of Corruption Act.

Given the acknowledged role that transparency has in preventing corruption, it is surprising that the Irish Government has **curtailed access to official information**. The Freedom of Information (FOI) Act has been weakened by the introduction of fees for access to non-personal information and charges of €150 for appeals. The fees which are amongst the highest in the world, have led to a dramatic fall in the number of requests for information from both the media and general public. The study also notes the **exclusion of An Garda Síochána** from the list of institutions

covered by the FOI Act. The omission of Ireland's police service from the list of bodies covered by FOI is believed to make her unique among industrialised democracies.

The study finds the Irish media still plays a central role in exposing and thus preventing corruption. While there have been reforms of the libel regime, future attempts to expose corruption could be hampered by proposed **privacy legislation** that could allow court injunctions to be placed against media investigations and prevent publication of any report into alleged wrongdoing.

The Executive is widely believed to have **excessive discretion** in a number of democratic functions, including control over the legislative agenda. This poses a potential barrier to the ongoing development and reform of Ireland's legal and institutional environment. The way in which the annual budget is formulated also poses some danger of undue interference in this process. Ministers also have a great degree of discretion over the **appointment** of members of the Judiciary and board members of public bodies. The risk of patronage and corruption is particularly high in the appointments process to the boards of some public bodies, which in most cases provides sole responsibility for appointments to individual Ministers. This risk is heightened by the **delegation** of duties away from the Civil Service to agencies and bodies not subject to full parliamentary scrutiny.

There are numerous reported cases of **procurement guidelines** being **circumvented** by public officials. This has exposed the public contracting system to the possibility of significant abuse and waste. Furthermore there are few sanctions or remedies arising from abuses of the public procurement system beyond those available through the courts.

At a national level, **influence-selling** has yet to be completely outlawed, while **political funding** remains **open to abuse** through loose thresholds on political donations and weak disclosure criteria for political parties. **Political lobbying** is entirely unregulated. Political parties are not required to publish audited accounts. A proposed amendment to Ireland's **Ethics laws** would treble the size of gifts and loans politicians can receive without declaring or surrendering them. Official **expenses** claimed by parliamentarians are also largely unaccounted for.

The study also reports that while **codes of conduct** and legislation aimed at curbing corruption are in place for public representatives and officials, there appears to be little understanding and repeated transgression of the codes at national and local level. The codes are further undermined by **unclear boundaries** of responsibility on their enforcement, with an Oireachtas Committee responsible for monitoring the conduct of its members, and the SIPO and the Cabinet sharing responsibility for

advising on and preventing abuse by Office Holders. The SIPO is unable to appoint an official to undertake preliminary inquiries into suspicions of misconduct by Officer Holders without a formal complaint.

The risk of fraud and corruption is particularly acute within **Local Government**. The risk is heightened by the lack of adequate safeguards against planning corruption, false accounting, misuse of resources, influence-selling and fraud. A survey by the Department of the Environment in 2006 showed that few local authorities had adequate resources or systems in place for audit. Furthermore only 7 out of 34 local authorities had **fraud and corruption plans** in place. This should be of grave concern given the economic incentives for corruption created by Ireland's planning system.

The possibility that Irish companies and nationals may be involved in **trans-national corruption** has, up to recently, been neglected by the Irish authorities. Eleven years after it was signed, the OECD Convention on Combating Bribery in International Business Transactions is now being implemented. In addition Ireland has yet to ratify the **United Nations Convention against Corruption** or the **Council of Europe Civil Law Convention on Corruption**. Given the political priority given to fighting drugs smuggling, arms and human trafficking and global terrorism, it is regretful that so little energy has been spent in addressing a problem that is central to the growth of

international organised crime and political instability.

Ireland already has a sound legal and institutional framework upon which future progress can be made. For this to happen, **existing institutions** will have to be **adequately resourced**, and **laws adequately enforced**. Just as importantly, a shift in **political will** and **general attitudes** to corruption and abuse of power will be needed. The electorate has regularly elected and re-elected politicians who are either suspected of, or found to have broken the law or ethical standards. Cultural attitudes to corruption in Ireland may have to change. However it is the responsibility of the country's political leadership to effect that change. It can do so by committing itself to ongoing review, reform and support of Ireland's National Integrity System.

**Table 1: Key Strengths and Weaknesses of NIS Pillars**

<b>Pillar</b>	<b>Strengths</b>	<b>Weaknesses</b>
The Executive	Separation of powers well defined Clear Codes of Conduct and Cabinet Handbook Regulatory Impact Analysis Public Sector Modernisation Programme	Post employment restrictions not in place for office holders
The Legislature	Committee System	Executive domination of the Legislature exercised through parliamentary majority Expense system open to abuse Little oversight of appointments to State Bodies
Political Parties	Few barriers to participation or party formation Strong representation of local constituencies	Little financial transparency
Electoral Commission	N/A	N/A
Anti-Corruption Commission (Standards in Public Office Commission)	Ability to launch investigations on own initiative Comprehensive and detailed annual reporting	Unlikely to launch formal inquiries without a complaint No role in oversight of political lobbying
Judiciary	Constitutional independence	No ethical or disciplinary framework in place Potential for political interference in appointments
Ombudsman	Independence and impartiality	No remit for a range of public bodies
Civil Service / Public Sector Agencies	Professional and well paid Merit-based appointment system	Freedom of Information law not applied evenly across public sector Inadequate public consultation on draft legislation
Law Enforcement Agencies	Reforms strengthened oversight and disciplinary mechanisms Criminal Assets Bureau	No Garda Anti-Corruption Unit No corruption statistics published

<b>Pillar</b>	<b>Strengths</b>	<b>Weaknesses</b>
Media	Largely independent and free from State interference	No anti-bribery policies in place for journalists Little tradition of investigative reporting
Local and Regional Government	Strong codes for Councillors and Members of Staff	Few Fraud and Anti-Corruption Plans in place Poorly resourced internal audit function Councillor Registers of Interests not published on Internet
Civil Society	Few barriers to formation of Civil Society Organisations	Over reliance on State funding Potential barriers to advocacy for charities Self regulation of professions
Business Sector	Relatively little red-tape or administrative barriers to doing business or registering businesses	Legal whistleblowing safeguards largely absent Few companies with anti-corruption safeguards in place Weak regulatory enforcement
International Institutions	Prominent role in regulation of markets and anti-corruption peer review	Little visible coordination of anti-corruption efforts
Supreme Audit Institution	Independence guaranteed by Constitution	Power to report limited by resources available
Public Contracting System	Comprehensive guidance offered by National Public Procurement Policy Unit	Little centralised oversight of procurement practice Criteria and evaluations may be set by same official Shelf companies awarded large public contracts Public Sector Benchmarks and evaluations not published

# PRIORITIES AND RECOMMENDATIONS



# PRIORITIES AND RECOMMENDATIONS

## General Recommendations

**1. Protect whistleblowers.** Anti-corruption safeguards can also be reinforced through the introduction of whistleblower protection for all private and public sector employees. A timetable for the introduction and full implementation of whistleblower legislation should be published as a priority. Such a measure would help instil public confidence in the ability of the State and business to effectively prevent and control the abuse of power and corruption.

**2. Ratify international Conventions against Corruption.** Longer term efforts to tackle corruption will depend on the Government's ability to articulate a suitable roadmap for action. Both the NIS framework and international conventions against corruption provide an internationally-recognised blueprint for governments to promote accountability in politics, government and business. The Irish Government has already signed the UN Convention and Council of Europe Civil Law Convention on Corruption but has yet to ratify these international treaties. Ratification will not only signal the Government's ambition

to fight corruption, but will also provide an important reference against which it can measure its own performance.

### **3. Establish a Register of Lobbyists.**

The Government has committed itself to consider legislation for a Register of Lobbyists in its Programme for Government 2007. The form of a Register and its administration should be open to public and professional consultation with Government proposals brought forward as a matter of priority.

### **4. Support law enforcement agencies.**

Additional resources should be allocated for agencies such as the Director of Corporate Enforcement, the Competition Authority, the Criminal Assets Bureau, and the Garda Bureau of Fraud Investigation. The economic benefits arising from tackling corruption are self evident and could represent a multiple of the initial investment by the State in these agencies. This is no less true than for the Criminal Assets Bureau which, with sufficient evidence and resources, could recoup much of the cost of corruption Tribunals by seizing the proceeds of corrupt payments identified in Tribunal reports.<sup>1</sup>

<sup>1</sup> In July 2006 the Criminal Assets Bureau secured a High Court 'corrupt enrichment order' freezing lands belonging to Jackson Way Properties Ltd valued at €53 million. The estimated cost of the Mahon Tribunal in 2006 was €58 million.

**5. Introduce a Corruption Immunity Programme.** Corruption is a conspiratorial crime. Parties to a corrupt transaction rely on secrecy and the knowledge that they are both criminally implicated. An immunity programme aimed at encouraging conspirators to ‘break ranks’ could improve rates of reporting and detection of corrupt transactions. A Cartel Immunity Programme offering immunity to witnesses involved in price fixing and bid rigging already exists. Witnesses to Tribunals of Inquiry are also immune from prosecution arising from evidence they present to the Tribunal. Applications for immunity would be made on the basis of full disclosure to the relevant law enforcement/anti-corruption agency before a complete file is submitted to the Director of Public Prosecutions (DPP).

**6. Reform Freedom of Information fee system.** The capacity of citizens to hold their public servants to account will also be boosted greatly by the reform of the Freedom of Information system of fees. These fees and cost of appeals have proved to be prohibitive for both media and citizens in fulfilling their right to public information. Costs for appeals and reviews are not justifiable and should be removed entirely. In addition, the scope of the Freedom of Information Act should be expanded to all public and semi-state bodies including An Garda Síochána.

Of the sixteen pillars examined in this National Integrity Systems Study, three in particular appear particularly vulnerable to the risk of corruption. The public interest would be greatly served by introducing new and reinforcing existing safeguards against the abuse of power in the following areas as a priority:

### Local Government

1. Local authorities should ensure that all members’ **declarations of interest** are posted in a prominent and accessible area of every local authority website.
2. **Fraud and anti-corruption alert plans** should be implemented and placed online. Local authorities should be required to publish periodic reports on specific steps taken to implement these plans.
3. Adequate **funding** should be made available for ongoing training and resourcing for an effective **internal audit function** in every local authority.
4. Government should consider how economic incentives for corruption in **planning and rezoning** can be mitigated and move to address them promptly.

### Political Parties

1. The threshold for **disclosure of donations** to political parties should be reduced significantly. Spending limits should also be

set for electoral spending in local elections by an independent Electoral Commission.

2. Political parties should be compelled by law to submit annual independently **audited accounts** to the Standards in Public Office Commission and/or any new Electoral Commission and to publish those accounts on their websites in a timely manner.
3. Any increases in reporting thresholds under the Ethics Acts for **gifts and loans** to politicians should only be set in line with inflation.

## Public Contracting

1. Greater **centralised coordination** of procurement policy, reporting and monitoring of public procurement practice is needed. An independent national procurement body could help reduce the cost of appeals and arbitration; oversee induction and training; and monitor certain contracts, tendering and bidding processes.
2. The Comptroller and Auditor General should publish an **annual report** on compliance with procurement policy on contracts over a certain value. Particular emphasis should be placed on the effectiveness of procurement strategy and policy; tendering and evaluation processes; arbitration; and the management of anti-corruption/fraud strategy.
3. In order to **prevent conflicts of interest**, those staff responsible for establishing criteria for public contracts over a certain value should not be involved in the evaluation of the same contracts.
4. **Shelf companies** established for the term of the contract should show that they have sufficient collateral to cover any risk associated with the performance or failure to deliver on the terms of the contract. At the bidding stage, liable persons representing the bidder/contractor should be identified, as should clear legal remedies for the contracting authority where the contractor defaults on the terms of the contract. This should preclude the awarding of state contracts to companies holding bank accounts that cannot be inspected in the event of a criminal investigation or where the beneficial owners are not identified.
5. Making **Public Sector Benchmarks and evaluations** subject to the terms of the Freedom of Information Acts after a specified length of time would help build public and business confidence in the integrity of Public Private Partnerships (PPPs). There is a strong case, both in economic and accountability terms, for making the PPP process more transparent.

## Additional Recommendations

### Executive

1. Appointments to the **Boards of State bodies** should be subject to open competition. The recruitment process should be managed by the Public Appointments Service. An Oireachtas committee could have a role in monitoring potential conflicts of interest and assessing the suitability of candidates for board membership in key state bodies.
2. Workable **moratoriums ('cooling off periods')** should be set and enforced on the appointment of former Government Ministers to posts in the private sector upon retirement or loss of their post. This would go some way to prevent potential conflicts of interest arising where a Minister was responsible for making decisions affecting a future employer/s. In line with good practice in other jurisdictions, a 'cooling off period' of one year should be set for former Ministers entering into the private sector where an appointment would pose a real or reasonable perception of a conflict of interest.
3. Government should undertake an assessment of the potential effects of new ethics, electoral and anti-corruption legislation, regulations or regulatory amendments through a full **Regulatory Impact Analysis**.

### Legislature

1. An overhaul of the **expense and allowance** system for members of the Legislature is needed to enhance public confidence in the integrity of politicians and prevent abuse and waste of State resources. Receipts should be presented to the Oireachtas Commission Secretariat for all claimable expenses.
2. The **codes of conduct** for Oireachtas members should be reinforced by regular training of persons who have obligations under the Ethics and Electoral Acts.
3. **Chairs of Oireachtas Committees** should be designated as 'Office Holders' for the purposes of the Ethics Acts.

### Anti-corruption Agencies

1. The Standards in Public Office Commission should be granted the authority to adopt less formal procedures in order to make initial inquiries into apparent breaches of the Electoral and Ethics Acts by Office Holders. Such inquiries led by an **Inquiry Officer** should be authorised without a formal complaint. This would go a long way to cutting the cost and time involved in launching a formal investigation; avert any unnecessary publicity surrounding an Office Holder; and thus help to safeguard the reputation of those subject to any inquiry.

## Judiciary

1. A **Judicial Ethics Bill** should be published and open to consultation as a priority. This legislation should provide for an independent statutory-based Judicial Council and clear disciplinary procedures to regulate judicial conduct and ethics.

## Civil Service/Public Sector Agencies

1. The **Official Secrets Act** should provide for a defence of reporting of public interest concerns in good faith by civil servants. In addition, the commercial interests of public contractors should not be held as grounds for preventing an individual from reporting evidence of irregularities or wrongdoing to his employers or the authorities.

## Law Enforcement Agencies

1. An adequately resourced, specialised **Anti-Corruption Unit** should be established within An Garda Síochána with specialised staff recruited from Garda ranks and qualified professionals. This would have responsibility for investigating all offences indictable under the Prevention of Corruption Acts (and related legislation).
2. Coordination of agency efforts could also be enhanced by establishing an **inter-agency task force on corruption** (similar

to that already established to tackle money laundering and foreign bribery). Such a task force could identify strategic priorities for the multitude of bodies responsible for preventing and investigating corruption and economic crime. It would also be responsible for publishing annual statistics on investigations and prosecutions, and above all, for ensuring an adequate flow of information between State agencies, government departments, and international bodies such as Interpol and the OECD. An annual report would also help public representatives, policy makers, and the general public better understand how the State is getting to grips with bribery and corruption. Social partner engagement and feedback could also be facilitated through an informal anti-corruption consultative forum of public and private sector/civil society organisations.

3. An officer corps or **fast-track system** should be introduced within An Garda Síochána to allow suitably qualified individuals contribute in specialised roles. Fast tracking would also assist in creating a clear delineation between management and front-line policing.

## Media

1. Newspaper organisations and journalist associations/unions should include clear **no-bribe** and **conflict of interest policies** or standards in professional codes of conduct.

## Business Sector

1. Business leaders need to foster a **culture of zero-tolerance** towards corruption. Supply-side corruption undermines Ireland's competitiveness, productivity and attraction to foreign investors. Taking into account their size, sector, activity and risk exposure, Irish businesses need to invest more in anti-corruption controls, internal reporting systems, education and training.
2. Safeguards should be integrated into company law that **protect employees** in the private sector against reprisals for reporting issues of public/stakeholder concern to their employers or the authorities.
3. A system of **financial penalties** for civil breaches of competition law should be introduced to complement criminal prosecution as a deterrent to anti-competitive activity.

## Civil Society

1. Political activity under the Electoral Act and Charities Bill should be more clearly defined. **Political activity** should

refer exclusively to any activity undertaken to advance the goals or interests of a political party or a political cause during an electoral or referendum campaign.

2. Civil society organisations need to **diversify sources of funding**. This is particularly the case for advocacy organisations that must remain independent of any one or a collection of donors.
3. **Audited accounts** for all civil society organisations with annual income over €100,000 should be published on their websites
4. A fully independent **Legal Services Ombudsman** should be established with the power to initiate investigations into alleged misconduct by solicitors and barristers upon a complaint by a client; and the power to make awards in favour of clients. Further consideration should also be given to how legal fees could be reduced to facilitate a higher number of successful economic crime prosecutions through the courts.
5. **Religious organisations, Professional Organisations and Trade Unions** should take a leadership role in promoting the principles of trust, transparency and responsibility across government, business and civil society.



A photograph of a white, ornate bridge with a decorative railing and a central arch, spanning a river. The bridge is reflected in the water. In the background, there is a large, classical-style building with a dome and a flagpole. The sky is blue with scattered white clouds.

# EVALUATION OF NATIONAL INTEGRITY SYSTEM



## EVALUATION OF NATIONAL INTEGRITY SYSTEM

Despite the centralised nature of governance in Ireland, the Irish National Integrity System could be described as relatively strong with reasonably well defined separation of powers. In comparison to its neighbours, even those with lower levels of perceived corruption, it has robust institutional and legal safeguards against corruption. In spite of some notable setbacks, improvements in both the legal and institutional environment over the past decade are clearly visible. Nevertheless a number of fundamental weaknesses in Ireland's NIS pose significant risks of both systemic and frequent abuses of power.

There are few controls in place to check or prevent undue influence by sectoral interests on government policy or regulation of the private sector and professions. Trading in influence is not outlawed, while there is no national register of lobbyists. The way in which political parties are financed has been the subject of criticism and controversy for some time. Some welcome steps have been adopted to prevent conflict of interest and introduce greater transparency in the financing of political parties and campaigns. Nonetheless, legal loopholes leave the bulk of party financing unaccounted for. The

spirit and purpose of the law is habitually abused by parties and candidates. This not only presents a greater opportunity for dirty money to enter the political system but offers corporate and private donors the chance to buy a great deal of political influence.

It is also worth noting that the pace of reform has slowed since the mid to late 1990s. Advances in legislation such as Freedom of Information and proposed 'Whistleblower' safeguards have been watered down. Calls from the Standards in Public Office Commission to give it stronger powers to investigate wrongdoing have been dismissed, while there is no specialised body responsible for coordinating cross agency action against corruption.

The fragmented nature of Ireland's law enforcement framework is likely to contribute to under-enforcement of anti-corruption, fraud, collusion, and company laws. This may be compounded by weak mandates and the monopoly of the courts in imposing civil sanctions. Just as importantly, many key agencies and pillars designed to tackle economic and political crimes appear to be under-resourced. The increasing number of cases is therefore placing a severe strain on those agencies that are proactively investigating allegations, while deterring other agencies from taking on any additional workload.

While Ireland has a very well respected and capable Civil Service,

the delegation of responsibility for decisions and resources previously managed by Government departments to agencies outside ministerial control, presents challenges to Ireland's NIS. Many of the 480 such agencies have no formalised complaints systems and there appears to be less recourse for public complaints or scrutiny by the Ombudsman of these bodies. Many of these agencies are no longer directly accountable to the Legislature and appointments to boards of these bodies are not subject to open competition or nomination hearings.

In general, public sector guidelines and codes appear to leave some room for interpretation. As a result, neither the letter nor the spirit of these documents (both at local and national level) appear to be consistently observed. This situation is aggravated by the absence of any transparent system to enforce or implement these codes. There seems to be little coordination of individuals and agencies responsible for raising awareness, reporting transgressions, and imposing sanctions.

The risk of corruption remains particularly acute in Local Government, especially in local authority planning. While significant efforts have been made to tackle the problem through legislation, recent history shows that not enough has been done to prevent conflicts of interest or to either establish or implement coherent anti-corruption plans in local authorities.


Public procurement across the Public and Civil Service remains a cause of concern. There is no centralised function for the monitoring of contracting authorities' control or prevention of ethical breaches, or violation of procurement codes. While comprehensive guidelines are in place for Government Departments and state agencies managing public contracts, it is doubtful whether the guidelines are followed as regularly as should be expected.

Recent events have also demonstrated the Business Sector's exposure to governance risks. Financial regulations, where they have applied to Ireland's financial services sector, appear to have been enforced sporadically. Irish businesses have also lagged behind other countries in terms of their commitment to fraud and corruption risk management.

Few NIS pillars could be described as meeting their full potential in fighting corruption. Of the public sector pillars or bodies charged with promoting accountability and transparency in public life, the Supreme Audit Institution, the Committee of Public Accounts and Ombudsman appear to be working effectively within their budgets and responsibilities. Pillars or institutions such as the Standards in Public Office Commission, Office of the Director of Corporate Enforcement, Revenue Commissioners, An Garda Síochána, the Competition

Authority, Civil Society and the Media also seem to be well placed to play a more proactive role in fighting corruption - but only if their independence from political interference is secured and the necessary resources and manpower are made available to them.

Legislation, new anti-corruption bodies and increased resources will not effect change on their own however. Crucially, significant levels of public indifference to standards in public life can be detected through the continued election and re-election of politicians who are either suspected of, or found to have broken the law or ethical codes. Such ambivalence appears to be shared by many in positions of authority. Political will and leadership is needed to affect a lasting change in the nation's attitude to corruption. Evidence of that leadership will be most clearly seen in continued support and reform of Ireland's National Integrity System.



**Transparency International Ireland**  
School of Business  
Trinity College Dublin  
Dublin 2

**e:** [info@transparency.ie](mailto:info@transparency.ie)

**[www.transparency.ie](http://www.transparency.ie)**