



Rialtas na hÉireann
Government of Ireland

CAPABILITY REVIEW

DEPARTMENT OF DEFENCE

April, 2022

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EXECUTIVE SUMMARY

The Department of Defence exercises civil control of Ireland's armed forces and, in doing so, it can draw upon a considerable reservoir of talent and expertise, both within the Department and amongst the military. As with any organisation, there are areas of strength and some matters in need of attention and change.

The organisational capability review of the Department identified a broad range of issues which senior management should focus upon in order to build capability for the future, and these are organised as follows in this Executive Summary:

- Fostering Distributed Leadership
- Enhancing the Relationship between the Department and the Military
- Building New and Strengthened Areas of Business
- Centralising Corporate Support

1. FOSTERING DISTRIBUTED LEADERSHIP

The Department has a significant strength in that the Management Board is very dedicated, highly experienced and deeply knowledgeable on matters relating to both the Department specifically and the defence sector generally. That strength is augmented by a cohort of Principal Officers (POs) who are similarly committed, skilled and proficient on matters relating to their everyday work.

This senior management layer of Board members and POs face a multiplicity of demands on a daily basis which challenges them individually and collectively to create the necessary time and space for deliberations on long range concerns. Such matters, while broad and diverse, relate in particular to the future role of defence in Ireland, the depth of shared purpose between the civil and military sides, the extent to which agreed goals and programmes are delivered in timely and efficient ways, and the degree to which the enablers of policymaking and delivery are both fit-for-purpose and comprise elements of best practice.

Regarding supports to the Management Board in its decision-making role, the following practices and structures are of special note:

- a) **Ministerial engagement:** As with all Government Departments, due to the requirements of Oireachtas and Government business, and attendance at Senior Officials Groups, the Minister and Management Board members are required to base themselves in Dublin for the greater part of the week. However, this presents a unique challenge in the Department of Defence as the only fully decentralised Department and this places the Minister and senior management at a physical remove from the rest of the Department.

Notwithstanding the growth of the use of video conferencing over the period of the COVID pandemic, this continues to present challenges and has led to the greater proportion of the Minister's engagement with the senior leadership cohort being done directly with and through the Secretary General. A consequence is that the frequency of dealings with other members of the Management Board, and particularly the PO cohort who are primarily based in Newbridge, Galway and Roscrea, is below what would be normally expected. There is a need therefore for the Secretary General and Board colleagues to examine practical resolutions to these challenges. It will be important that in future all Board members and indeed the PO cohort have greater opportunities to develop strong working relationships with the Minister.

- b) **Senior Management Group:** Comprised of Board Members and POs, this structure is at the stabilisation phase and has yet to become systemically embedded as a cohesive deliberative aid

to the Board. Nonetheless, the pointers are positive – its foundation is strengthening and it has the potential to mature into a highly valuable and effective arm of the Department’s deliberative, decision-making and delivery apparatus, including in assisting with delivery of the recommendations set out in this Report and the findings of the Commission on the Defence Forces.

- c) **PO Forum:** There can be tensions over the extent to which PO networks should be self-directed in their work or guided by their Management Board. The more recent organisational capability reviews indicate that a combination of self-direction and guidance might be the most prudent and effective way forward.

Set against that overarching conclusion, it is recommended that the Department of Defence’s Management Board and its PO cohort, whether through the Senior Management Group and/or in consultation with the PO Forum, should engage in a structured and systemic way in jointly considering options for addressing departmental and sectoral challenges. Such a development would give value-added to the Board’s deliberations and build the managerial capability of POs in terms of analysis, engagement and decision-making.

The core finding on leadership is that, in their totality, the senior management structures, while having features of good practice, fall short of realising their full potential. The over-riding reason is anchored on a lack of autonomy in decision-making in the Department which is replicated, at least in part, on the Defence Forces’ side.

Regarding the Department, the Management Board – at both the collective and individual levels – involves itself in matters of a planning, delivery and organisational nature that are more appropriate to POs. This has spawned and perpetuated a culture of grade drift whereby decision-making and managerial responsibility appropriate to the PO grade gravitate upwards. That practice in turn limits the space for strategic thinking by the Board, has a disempowering effect on POs as strategists and decision-makers, and creates a cascading diminution of autonomy amongst more junior managers.

On the military side, the command structure and its inherent hierarchal characteristics often lead to situations whereby Officers seek only to deal with grade equivalents in the Department and that also causes work to be pushed needlessly upwards in both the civil and military domains.

This phenomenon of grade drift serves neither the Department nor the Defence Forces well.

Looking ahead, there is a need for the Management Board to reflect on its role and operations, particularly on what it must do to achieve a more appropriate and effective strategic orientation than is evident at present. In order to succeed, the Board must re-work the different structures supporting it so as to instil a system of devolved and distributed decision-making, especially at PO level. Such a reimagining is likely to release potential and energy, improve markedly the scope for strategic decision-making across the senior management chain, and result in increased collaborative working on inter- and intra-organisational issues by leaders at multiple levels. Such a transformation in the exercise of leadership would, over time, effect a profound impact on both the Department and the broader defence sector.

2. ENHANCING THE RELATIONSHIP BETWEEN THE DEPARTMENT AND MILITARY

The Department’s ability to lead the defence sector and exert influence across the government system is critically contingent on the quality of its relationship with the Defence Forces. There are a number of elements that determine the standing of that relationship:

2A SHARED PURPOSE: While there is a shared vision between the Department and the Defence Forces on the general future direction of defence in Ireland, its expression is disparate and diffuse.

Elements of the vision can be found in the *White Paper on Defence*, the civil/military *Joint Statement of Strategy*, the Corporate Governance Framework paper, and a *Priorities Document* which seeks to draw together the totality of main current issues into a single document for deliberation by both the Management Board and the SMC. However, the Review has identified three critical shortcomings:

- a) **Policy expression:** While elements of defence policy are broadly clear, perhaps most notably on participation in UN peacekeeping missions and Ireland's position on military neutrality, there is no single readily available document that constitutes a succinct expression of defence policy.
- b) **Defence capability:** There are various structures in place for dealing with capability development, the Equipment Development Plan (EDP) the infrastructure Development Plan, the Strategic Human Resources Group and the High Level Planning and Procurement Group (HLPPG). However, no specifically titled or formalised Capability Development Plan for the Defence Forces exists although, for the first time, the development of such a Plan by the Department and Military Management is now in train. The Plan will provide planning direction and further guidance for the more detailed plans/strategies required for each of the eight plan headings; doctrine, organisation, training and education, materiel, leadership and regulatory reform, personnel, facilities and interoperability.
- c) **Communications:** At times, external communications by the Department and the Defence Forces are not appropriately aligned across the two entities and thus there is a need for new protocols to support unified messaging.

The following measures would greatly assist with creating the space within which a sense of shared purpose between the Department and the Defence Forces could be fostered, deepened and sustained:

- a) **Policy articulation:** The Department should set about developing, communicating and regularly updating the core features of national defence policy, the rationale for them, and the trajectory of international developments and deliberations, especially at EU level, that might impact upon them.
- b) **Defence capability:** The state and direction of defence policy needs to resonate in meaningful and practical ways with the Defence Forces and only a Capability Development Plan can provide the connection between policy development, investment choices and operational practicalities.
- c) **Statement of Values:** As a critical enabler for developing a shared vision and neutralising unhelpful communications practices, the Department and Defence Forces should jointly set about the development of a *Statement of Values and Behaviours*. Such an agreed statement could act as a stimulus for developing, articulating and promulgating shared purpose across a variety of areas relating to policy, investment and delivery.

Taken together, the above three measures would provide a framework that would knit policies, operations and behaviours into a coherent whole, and that would be of considerable benefit to the Department, the Defence Forces and the broader defence sector.

2B ENGAGEMENT STRUCTURES: In the pursuit of strategic aims and the implementation of agreed actions, there are intertwined interdependencies between the civil and military authorities that have necessitated the establishment and operation of joint arrangements ranging from strategic planning to business delivery. To that end, a variety of senior and middle management structures and practices are in place, most notably the following:

- a) **Strategic Management Committee (SMC):** This committee enables senior civil and military management to engage in both policy development and delivery oversight in a manner that respects the separate lines of authority between the civil and military sides.
- b) **Joint civil/military teams:** A number of joint civil/military teams are tasked with delivering on the many projects in the *White Paper on Defence* and those arising from the High Level Implementation Plan to give effect to the recommendations contained in the *Report of the Independent Public Service Pay Commission* insofar as it relates to the defence sector.
- c) **Informal practices:** The formal structures are complemented by extensive and frequent informal engagement between the Department and Military Management at all levels.

A critical context for civil/military engagement is provided by the Constitution of Ireland and the *Defence Act, 1954* which legally underpin the separation of powers, responsibilities and accountabilities between the civil and military authorities. Thus it is incumbent on both the Department and the Defence Forces to respect that framework and while both sides are respectful of the boundaries, tensions inevitably arise from time to time on where the dividing line should most appropriately rest.

Regarding structures, practices and relationships, the Review found that, at the senior management levels, the bilateral relationship between the civil and military sides is well-positioned to mature and grow, notwithstanding considerable tensions in the quite recent past. Both the Secretary General and Chief of Staff are new to their current roles and with that has come a freshness in orientation and approach. While providing an impetus for improved relations, there is nonetheless a need for diligence and leadership in striving towards the goal of a civil/military relationship that is built on mutual respect and trust.

The SMC will have a pivotal role to play in setting the tone for future bilateral relations. Although generally regarded in a favourable light, there is scope for fluidity in discussions and more openness on matters coming before it. Such a reorientation would reduce rigidities in the current arrangements and help foster respect and trust between the civil and military sides.

With regard to the civil/military teams, these are a source of considerable strength. They operate across a broad range of objectives and activities and are typically underpinned by strong commitment and dedication on the part of participants. This is reflective of a broader reality whereby the relationships between the Department and the Defence Forces below senior level are usually cordial, effective and solutions-oriented.

Notwithstanding the positive attributes of bilateral engagement, the pace of decision-making is in need of particular attention. While multiple factors can be involved depending on the issue, it is nonetheless clear that the widespread practice of escalating decisions to the top of the management pyramid is a core cause, and that needs to change.

2C PROPORTIONATE GOVERNANCE: While the Department exercises its governance responsibilities very well, there is nonetheless a recurring theme of micro-management in the interviews with Military Management. In their view, there is a tendency for officials to become involved on matters where the need is neither apparent nor proportionate.

By way of context, the Secretary General is the Accounting Officer for all Defence expenditure, including those subheads which are delegated to the Defence Forces. Thus there is a need for appropriate oversight and governance.

Military organisations of their nature are task-oriented and, understandably, they tend not to engage themselves in matters of financial stewardship. That would have to change if the Defence Forces were

to acquire some of the functions currently performed by the Department, especially if having significant financial implications. Any greater delegation to the military must take place within the parameters of good governance, responsibility and accountability frameworks involving financial obligations such as the requirements of the Revised Public Spending Code and non-financial structures like legal provisions. Additionally, there must be full clarity on the respective roles and responsibilities of the Secretary General and the Chief of Staff in the event of any changes to the current state. Accountability is a key area to be addressed. These areas will require interaction and agreement with key Departments. It is recommended that any review of the Defence Acts should involve the identification, assessment and remediation of those practices relating to the governance of the Defence Forces which are unduly and unhelpfully focused on routine business as usual activity to establish what the appropriate mechanism of governance, responsibility and accountability should be. Consideration will also need to be given to any potential amendments that may be required to external legislation on foot of proposed amendments to the Defence Acts and appropriate stakeholder engagement would need to be undertaken in this regard.

3. BUILDING NEW AND STRENGTHENED AREAS OF BUSINESS

In order to position itself optimally to deliver on its remit and address new challenges, the Department needs to build its expertise in a number of discrete areas of the business. The principal areas requiring attention are as follows:

- a) **Appraisal:** Even though managing considerable procurement and investment programmes, the Department lacks a dedicated appraisal function and while having the capability to undertake and critique appraisals, it has an insufficient number of staff assigned to such work. Thus it is proposed that it should establish a dedicated appraisal unit, led by an appropriately qualified specialist. The role of the unit, which would report to the Finance Officer, would be to undertake, review and approve appraisals, and provide advice and support to Branches, including on compliance with the Revised Public Spending Code.
- b) **Evaluation:** In tandem with developing its capability to conduct appraisals, the Department, in consultation with the IGEES and the Vote Section in DPER, should recommence formally undertaking *ex post* evaluations, the core aim of which would be to establish whether the best decisions in support of the military are being taken, and what lessons might usefully be learned for the future. As with the proposed appraisal unit, an evaluation function should be put in place and, on its establishment, should report to the Finance Officer.
- c) **Industrial Relations:** The HR Branch would benefit from more IR experience and expertise. Dealing with the IR issues of some 450 civilian staff who work for the military absorbs a significant amount of the Branch's time and resources, and it would help considerably if the Branch had staff with specialist IR expertise.
- d) **Legal:** The Department is taking the critical first steps to replace the Defence Acts with a modern and appropriately structured and provisioned consolidated Act. The scoping exercise currently under way has the hallmarks of best practice and its full implementation would provide a strong foundation for bringing the project to a successful conclusion. On conclusion of the exercise, the Management Board should decide on each critical enabler to replace the 'as is' state and put in place the necessary measures including expert support resources.
- e) **Data management:** At present, data is organised and managed by the Defence Forces in fragmented ways in some areas of business that are common to the Department and the Defence Forces, most notably HR-related data in the Defence Forces. As such data is critical for policymaking and planning purposes in areas like military staff retention and recruitment, a joint

civil/military response is needed. In that respect, the replacement or substantive upgrade of the Defence Forces' Personnel Management System constitutes an important first step. However, the civil side of the Department, not having access to core data, cannot exploit or develop the necessary statistical/data analytics expertise to enable both it and the Defence Forces to manage data in accordance with good statistical practices. As a critical next step to remedying the current state, the Department should develop a Data Management Policy that would cover both the civil and military elements.

Overall, the Department would significantly strengthen its capacity and capability if the recommendations in this report relating to appraisal, evaluation, industrial relations, legal skills and data management were carried out.

4. CENTRALISING CORPORATE SUPPORT

The strategic management of corporate support functions in government organisations increasingly requires exemplary strategy work (formation, execution, evaluation) across all of the various functions with a particular emphasis on the whole organisation and the wider government eco-system. For that to happen, the Department needs to develop a coherent corporate spine to bring together the corporate services function and align them to the Department's overall purpose.

Regarding HR management and planning, the Management Board should actively oversee the rapid transition of the HR function away from operational issues to a more strategically focussed approach to business delivery. For that to happen, a number of corporate functions, such as processing Freedom of Information requests, currently assigned to the HR Branch, should be extracted and reassigned to a separate dedicated and appropriately resourced Branch. Such a development would free up the time of the HR manager and staff to focus on medium- to long-term planning issues of both a policy and structural nature. In that respect, there is a particular need to develop and embed strategic workforce planning as part of everyday business and to put in place a HR Business Partnering model to improve the quality of performance management across the Department.

Within those contexts and in recognition of the significant retirement cliff facing the Civil Service generally and the Department of Defence specifically over the next few years, it is now critical that due consideration is given to shaping and future-proofing the workforce, especially in terms of skills needs to address new and emerging challenges.

In the area of risk management, the Department's model has many features of good practice and is integrated well into business planning. Significant improvements have been made, including the establishment of the Branch Risk Officer role and the roll-out of the *eRisk* build-to-share solution. Now that an effective framework is in place, attention should be focused on maturing the management and mitigation of risks. To that end, the Department should establish a centralised Risk Management Unit as part of a broader corporate services function, which would assume overall responsibility for the day-to-day management of all risk management related activities.

An indication of the benefits which would be derived from consolidating certain corporate functions into a single Branch is evident in the ICT Branch where the combination of an improved skills-set and the migration of desktop support to the Office of the Government Chief Information Officer is paying significant dividends in terms of customer service, new development and strategic reorientation.

Given the scale and diversity of cultural and structural change facing the Department arising from the Report of the Commission on the Defence Forces and this Organisational Capability Review, it is proposed that this transformation programme would best be led by an additional Assistant Secretary who would be assigned solely to this new role which has a strong, future-oriented perspective.

CONCLUSION

The Department, in partnership with military colleagues, is in a strong position to bring about impactful change. A new Secretary General and Chief of Staff are in place and it is clear to the team who undertook this review that they are both supported by highly committed, hardworking and talented managers and staff across all grades and ranks. Looking to the future, implementation of the recommendations set in this Report will enable the Department to build on its existing strengths as it seeks to address the considerable challenges facing the defence sector.

In preparing an action plan as follow-up to this review, the Department should consider findings from the six organisational capability reviews carried out to date, particularly in terms of any reframing of the civil/military relationship. Lessons from the reorganisation of the justice sector on foot of the *First Report of the Effectiveness and Renewal Group for the Department of Justice and Equality (Ó' Riordáin report)* may also be of assistance.

The recommendations forming the basis for the Department's action plan are presented at the end of each chapter, differentiating between those that are critical and those that are important.

INTRODUCTION

The legislative base of the Department of Defence and the Defence Forces is set out in the Constitution of Ireland and the *Defence Act, 1954*. Briefly, the Constitution vests supreme command of the Defence Forces in the President and provides that the exercise of that command must be regulated by law. The governing legislation is contained in the Defence Act, which provides that military command of, and all executive and administrative powers in relation to, the Defence Forces, shall be exercisable by the government and through and by the Minister for Defence. This includes the power to delegate command and authority.

FUNCTIONS AND PRIORITIES

The Department of Defence and Defence Forces operate to a joint high-level goal which is set out in the joint *Statement of Strategy 2021 – 2023*:

“to provide for the military defence of the State, contribute to national and international peace and security and fulfil all other roles assigned by Government”.

This high-level goal is disaggregated into three broad strategic components:

- defence policy
- ensuring the capacity to deliver, and
- Defence Forces’ operational outputs.

DEPARTMENTAL STRUCTURE

The Minister for Defence is the head of the Department of Defence and, as such, bears political responsibility for all civil and military matters, policy and operations. The current Minister is also the Minister for Foreign Affairs.

Under the *Defence Acts, 1954 to 2015*, the Department’s mandate reflects the widely accepted concept across the democratic world of civil control of the armed forces. The Defence Organisation, which is comprised of the Department and the Defence Forces (Army, Naval Service and Air Corps), has a unique civil/military structure and both elements provide supports to the Minister in the discharge of functions which is achieved through close engagement between the two sides.

The Defence Forces’ Headquarters (DFHQ) is the military element of the Department, which is headed by the Chief of Staff, who is the Minister’s principal military adviser. It is focused on planning, managing, formulating military advice, development, and major strategic issues affecting the Defence Forces, including ongoing modernisation and transformation.

Under the Defence Act 1954, the Department of Defence has a unique structure in comparison to other Government Departments in the State in that it has civil and military elements. The civil element is headed by the Secretary General and the military element (DFHQ) by the Chief of Staff. It is the only fully decentralised Government Department, with its Headquarters, which is based in Newbridge, Co. Kildare, being the location for nearly half of all staff including the Management Board. The Finance function, including pay and pensions, moved to Renmore in Galway in 1989 and the Civil Defence Branch is based in Roscrea. There are also a number of small offices in Dublin. The number of staff spread across the Department at 31 December 2020 was 384, amounting to 370 full time equivalents. This includes 14 personnel who are employed full-time in the Defence Forces at a number of Defence Forces installations.

The Department is organised into four Divisions, three headed by Assistant Secretaries and one by a Director:

- a) **International Affairs and Legislation:** The constituent business units are: International Security and Defence Policy (ISDP) Branch, Brussels Office, Legislation Branch, Data Protection Office, Protected Disclosures, Facilities Management and the Military Aviation Authority project.
- b) **Strategic Planning, Capability Development and Corporate Support:** This Division is comprised of seven business units: Programme Management Office, Planning and Organisation Branch, ICT Branch, Contracts Branch, Internal Audit, Finance Branch, and Human Resources – Civil Servants/Civilian Employees.
- c) **Emergency, Operations and Infrastructure Oversight:** This Division is made up of four business units: Executive Branch, Office of Emergency Planning, Civil Defence Branch, and Property Management Branch.
- d) **Defence Capability (People):** This Division is comprised of the following business units: Capability (People) Development and Support Branch, Conciliation and Arbitration Branch, Defence Forces Personnel Policy Branch and Litigation Branch.

A Communications Unit and Legal Advisor are also in place who report directly to the Secretary General.

OVERVIEW OF FUNDING

The Revised Estimates 2022 provides for a gross budget of €812.21 million, comprising €671.41 million in current funding and €140.80 million in capital funding. The Secretary General is the Accounting Officer for the Defence and Army pensions Votes. The Secretary General, as Accounting Officer, delegates financial control and responsibility for certain subhead expenditure to the Chief of Staff by way of delegation instruments; this amounted to €173.38 million in 2022, with ultimate responsibility and accountability for this expenditure still resting with the Secretary General.

COMMISSION ON THE DEFENCE FORCES

The *Programme for Government – A Shared Future* includes a commitment for the establishment of an independent Commission to examine a range of specified matters relating to the medium and longer-term defence requirements of the State. In this regard, Government approved the establishment of a Commission on the Defence Forces in December 2020. The conclusion of that body of work broadly coincides with the finalisation of this capability review of the Department. The recommendations of the Commission insofar as they relate to the Department will need to be considered in the context of the action plan to be developed on foot of the recommendations arising from this capability review. The provision of secretariat support to the Commission came from within the Department's existing resources.

PROCESS AND METHODOLOGY

Action 20 of the *Civil Service Renewal Plan* published in 2014 provides for the implementation of a programme of organisational capability reviews, the purpose being:

“To embed a culture of regular and objective assessments of the capacity and capability of each Department to achieve its objectives and take the necessary action to close any gaps.”

Having consulted with the sponsoring Secretaries General and the Civil Service Management Board (CSMB), the Department of Defence was selected for this review. This is the seventh such review and six similar exercises were completed previously in respect of: 1) Department of Transport, Tourism and Sport, 2) Courts Service, 3) Department of Business, Enterprise and Innovation, 4) Department of Culture, Heritage and the Gaeltacht, 5) Department of Housing, Planning and Local Government, and (6) Department of Rural and Community Development. These reports, a *Synthesis Paper* (2021) setting out the main findings for the Civil Service, and further details of the Programme of Organisational Capability Reviews are available on gov.ie.

METHODOLOGY

The methodology for this review followed that used for the six previous reviews conducted to date. It was modified somewhat in light of the *Synthesis Paper* and account was taken as well of the *First Report of the Effectiveness and Renewal Group for the Department of Justice and Equality* (Ó Riordáin report) along with subsequent implementation updates.

This review was guided by a comprehensive standards-based methodology template, comprising four overarching filters: Leadership, Policymaking, Delivery, and Business Support Functions.



SCOPE

As with the six previous organisational capability reviews, this review was concerned solely with the Department's capability to deliver on its mission statement and did not involve any assessment of its policies, strategies, programmes or schemes in terms of outputs or impacts.

TERMS OF REFERENCE

The Terms of Reference agreed for this review are:

“To consider and make recommendations for the required organisational capabilities, by reference to Leadership, Policymaking, Delivery, and Business Support Functions, in respect of the civil service branches of the Department of Defence. The review will ensure that the Department can deliver on its business priorities taking account of overall policy in the White Paper on Defence, the Commission on the Defence Forces and other relevant Government requirements. The review will involve engagement with Departmental staff and key stakeholders in the policy and operational domains of the Department”.

GOVERNANCE

A review team based in the Reform and Delivery Office of the Department of Public Expenditure and Reform (DPER) carried out the review. The team was comprised of Dave Hanley, Gerry Cribbin and Marian Beakey from DPER and Aisling Hayden as the Departmental Liaison Officer (DLO). The DLO provided vital support and assistance, scheduled and attended interviews and workshops, provided research support and participated in the drafting of the final report.

The team report to an External Review Panel whose role was ‘to review, validate, edit and finalise the report prepared by the team’. The panel comprised:

- John McCarthy, former Secretary General, Department of Housing, Planning & Local Government,
- Ann O’Connell, former Partner with PWC, and
- Joe McDonagh, Trinity College Dublin.

The programme of reviews is overseen by a steering group of four sponsoring Secretaries General from the Civil Service Management Board (CSMB): Seán Ó Foghlú, formerly of the Department of Education; Mark Griffin, Department of Environment, Climate and Communications; Oonagh McPhillips, Department of Justice; and Ken Spratt, Department of Transport.

REVIEW PROCESS

The evidence gathering phase took place between May and November 2021 inclusive and involved interviews and workshops aimed at assessing the capability of the Department from internal and external perspectives. Internal evidence gathering comprised interviews with members of the Senior Management Team of the Department and 18 staff workshops. External evidence gathering comprised 32 interviews with the main stakeholders including Defence Forces’ representative associations, other government departments and agencies that work closely with the Department and senior members of the Defence Forces.

It should be noted that this capability review does not reflect the findings or recommendations from the *Report of the Commission on the Defence Forces* published in February 2022 as the work of the Commission was still underway at the evidence-gathering phase of this capability review. Likewise, more recent matters/issues/controversies relevant to the Defence Organisation such as the *Women of Honour Group* do not feature in this review as these were either not in the public arena at evidence-gathering phase or are not comprehended by the OCR terms of reference.

Table 1: Interviews and workshops conducted

Category	Number of Engagements Undertaken	Number of Participants
Minister	1	1
Senior management (incl. Secretary General)	12	12
PO Workshops	5	21
AP Workshops	3	30
Brussels Workshop	1	5
HEO/AO Workshops	3	27
EO Workshops	3	33
CO Workshops	3	24
Sub-total	31	153
External Stakeholders	32	49
Total number of engagements	63	202

1. LEADERSHIP

The first module of the methodology template for the capability review programme relates to LEADERSHIP. This chapter deals with the Department's senior management leadership, the extent to which prioritisation between strategic and immediate aims is achieved, the quality of cross-divisional cooperation, the degree to which the Department influences and collaborates on a cross-government basis, and the quality of the communications function, internal and external.

1.1 SENIOR MANAGEMENT

Senior management, which comprises the Management Board and Principal Officers, face an ever-increasing multiplicity of demands on a daily basis, thus requiring them to be diligent in creating time and space to focus on strategic goals and delivery risks. The principal features of the management model and its effectiveness are set out in the following:

- a) **Management Board:** The Management Board, which meets weekly, comprises the Secretary General, three Assistant Secretaries and a Director. While the Secretary General is relatively new to the Department, the other members have worked across the full spectrum of the Department's remit and bring a strong and experienced presence to the Board.

There is a good sense of collegiality at Board level. Open and frank discussion across the various business areas is encouraged and individual members collaborate closely on policy and operational matters.

- b) **Decision-making – pace:** The strong view expressed both internally and among many of the Department's external stakeholders is that, in most instances, decision-making is noticeably slow.
- c) **Principal Officers – autonomy:** The Principal Officer (PO) cohort is well regarded both within the Department and among its key external stakeholders. There is a good mix of experienced and newly-promoted staff, and the Department also benefits from many of them having worked elsewhere in their careers.

Of particular note is the evidence presented from both within and outside the Department that POs do not appear to enjoy the same or similar levels of autonomy in decision-making as their equivalents elsewhere in the Civil Service. Key external stakeholders expressed significant frustration about the frequency with which even routine issues have to be referred upwards to Assistant Secretary level for sign-off.

Thus, there is an urgent need for the Board to delegate a much higher degree of decision-making to POs. Such a development would free up the valuable time of the Board collectively and members individually to focus on the many strategic challenges facing the Department. This issue was raised frequently during the team's engagement, both externally and internally, and was particularly pronounced in comments from managers who had worked previously in other Departments. To them, the culture of the upward drift of decision-making within the Department of Defence is very obvious.

- d) **Joint Board and PO deliberations:** The impacts of inadequate PO autonomy are exacerbated by the nature of much of the Department's work, which involves a considerable amount of "firefighting" on issues requiring immediate attention and decision. Against that background, it is notable that the Board and the PO cohort do not set aside sufficient time for joint consideration of organisational and sectoral challenges.

- e) **Principal Officers – forum:** The Principal Officers meet as a group on a weekly basis (PO Forum) and there is also an annual networking event. There is no formal agenda for these meetings with a “tour de table” format in place whereby individual POs can give updates as they wish. There are mixed views as to the usefulness of this largely informal forum: while many welcome the opportunity to meet up and network (even in a virtual setting), others believe that the structure is lacking in some respects.

Given the nature and scale of some of the organisational and sectoral challenges facing the Department, it is important that a functioning PO Forum with clear terms of reference and full buy-in from all is in place to support the Management Board in delivering on its agenda.

- f) **Senior Management Group:** The POs also meet on a monthly basis with the Management Board. This more formal setting is known as the Management Group. Again, there are mixed views regarding the efficacy of the structure and some POs remain somewhat unconvinced and perceive it as a largely information-sharing forum and “not a place for robust conversation”.

What is not in question though is that this structure has significant potential and provides a very solid foundation on which to further develop and strengthen the formal links between the Management Board and the POs as Heads of Function.

- g) **Strategic Management Committee (SMC):** The Department has a unique civil/military structure in the form of the SMC which is a central forum for management and oversight of civil and military matters. It provides the means by which senior civil and military management can engage in policy development and oversight of implementation while respecting the separate lines of authority within the Department’s civil and military structures.

The SMC meets on a monthly basis and is chaired by the Secretary General. Membership includes the Management Board, the Chief of Staff of the Defence Forces together with the two Deputy Chiefs of Staff and the Assistant Chief of Staff. In addition, the Secretary General and Chief of Staff meet on a regular weekly basis to keep each other informed of issues and meet more regularly if the need arises.

Interviewees, both civil and military, are broadly supportive of the opportunity provided by the SMC to regularly discuss a variety of matters in a structured way, especially those of strategic importance. However, some of them also express varying degrees of dissatisfaction with how the SMC functions, in particular that it does not have decision-making powers and that its business is conducted on a ‘no surprises’ basis. The agenda for a meeting is structured and agreed in advance, and this is viewed by many of the relevant personnel as inhibiting a broader and less choreographed interaction.

- h) **Ministerial engagement with senior management:** Due primarily to geographical considerations,¹ the bulk of the Minister’s engagement with the senior leadership cohort is done directly with and through the Secretary General, and she bases herself in Dublin from Tuesday to Thursday to facilitate these interactions, together with inter-departmental engagements. This model is neither the norm nor the ideal, but reflects a practical approach to the geographical challenge.

A suitably furnished and functional Dublin-based premises, where the Secretary General and other officials could base themselves when in Dublin, is essential in supporting the efficient and effective conduct of engagements with the Minister as well as other Dublin-centric elements of the Department’s official business, which are often of a sensitive and confidential nature. The

¹ The Department’s Headquarters is located in Newbridge while the Minister is largely Dublin-based due both to his Government and Oireachtas business.

absence of such office accommodation is a significant drawback for the Department which needs to be addressed as a priority.

More positively, the Minister meets on occasion with the full Management Board and a process has recently commenced whereby this formal engagement will be on a quarterly basis. Similarly, there is scope to improve the frequency and nature of interaction between the Minister and civil and military senior management using the SMC structure as the conduit.

- i) **Blended working:** The introduction of a blended working model across the civil and public service, which will involve a combination of work in the office and from home, will present management with a broad range of challenges, relating in particular to people management, internal cross-divisional collaboration, communications and delivery. The effectiveness of the model will need to be assessed by management on an ongoing basis and, where and if necessary, appropriate adjustments made.

Findings: Leadership by senior management

F1.1 Board – calibre: The Management Board is very experienced and brings a significant amount of in-depth expertise to the role of managing and leading the Department and the Defence sector.

F1.2 Board – engagement with POs: There has been good progress in developing a more structured relationship with the PO cohort. However, there is potential to enhance that further. That will be particularly important in the context of implementing the recommendations of this Report and the findings of the Commission on the Defence Forces.

F1.3 Strategic Management Committee (SMC) – effectiveness: The role of the SMC, which is generally regarded favourably, could nonetheless be enhanced, involving discussion and agreement between the Department’s senior management and the Chief of Staff and his senior military colleagues.

F1.4 Ministerial engagement – focus: The Minister’s primary channel of communication into the Department is through the Secretary General, and the frequency of dealings with other members of the Management Board is below what would be normally expected. Similarly, interaction with Principal Officers is very limited perhaps reflecting practical issues to be overcome for a cohort who are primarily based in Newbridge, Galway and Roscrea. The absence of a suitable Dublin-based office is contributing to this less than optimal situation. It is also causing the Secretary General challenges in terms of how the business of Defence is conducted.

F1.5 POs – autonomy: The PO cohort is not sufficiently empowered to make and take decisions appropriate to their senior management rank and status. A primary reason is that the Board is involved in a lot of day-to-day issues, many of which could and should be dealt with by POs and APs.

1.2 PRIORITISATION

The Management Board is challenged to strike an appropriate balance between strategic deliberations and immediate demands and the extent to which that is achieved is explored in this section.

- a) **Priorities Document:** The deliberations of the Board are assisted and guided by a *Priorities Document* which seeks to draw together the totality of main current issues into a single document. The paper, which reflects the agreed shared priorities of both the Department and the Defence Forces, feeds into the deliberations of the SMC. The Minister, however, ultimately determines the final content. While the *Priorities Document* is generally viewed as being helpful and dynamic (it is updated on a regular basis), there is also a belief amongst Board members that, at times, it

can constrain the range of issues that can be covered. More generally, it is acknowledged among all the members that there is scope for the Board to devote more time to strategic deliberations.

- b) **Strategic deliberations:** Regarding deliberations of an immediate nature, day-to-day administrative issues are a normal part of any Department's functions. Such matters cannot be ignored and nor can the need to support the Minister and the broader democratic process. The strong and general sense though is that these elements of the Board's work are restricting the time available and needed for deliberations on the broader and longer term challenges.
- c) **Joint Board and PO deliberations:** The PO autonomy issues are exacerbated by the nature of much of the Department's work which involves a considerable amount of "firefighting" issues requiring immediate attention and decision. Against that background, it is notable that the Board and the POs do not set aside reasonable time for joint consideration of organisational and sectoral challenges.

Finding: Prioritisation

F1.6 Board – strategic deliberations: There is scope for the Board to afford itself more time and space to facilitate deeper consideration of the strategic challenges facing the Department and the broader defence sector. In that respect, there is potential for deeper and more sustained engagement with the PO cohort.

1.3 CROSS-DIVISIONAL WORKING

The extent to which the internal business divisions (Branches) and their constituent business units collaborate with one another is assessed in this section:

- a) **Esprit de corps:** Notwithstanding that some areas of business are largely self-autonomous, cross-divisional collegiality and cooperation is an area of distinctive strength for the Department; there is a noticeably strong sense of *esprit de corps* among staff. This is attributed in part to the relatively small size of the Department which makes building good relationships with colleagues quite easy and the provincial location of HQ whereby most staff who work there specifically want to be there.
- b) **Networks:** There are a number of staff networks in operation. In addition to the PO Forum already referenced in section 1.1, there are also networks at both AP and HEO grades. While most staff view these structures positively, they also feel that the networks do not meet frequently enough (Covid-19 is obviously having an impact). The opportunity to meet up with colleagues in a relatively informal setting is seen as the primary benefit. For that morale-boosting reason alone, these networks are worth supporting and fostering.
- c) **Civil/military teams:** As dealt with in some detail later in chapter 3, section 3.1, many of the projects set out in the *White Paper on Defence* and those arising from the deliberations of the Public Service Pay Commission are being delivered through joint civil/military project teams. Very often these teams involve multiple Branches from within the Department. There is also a civil/military team working to develop national cross-government policy in the area of emergency planning.

The conclusion from the engagement with managers and staff is that inter-Branch cooperation is quite strong. There are some concerns however around the sense of detachment that areas such as Civil Defence Branch (Roscrea) and the Office of Emergency Planning (Dublin) feel at times. The probability is that this is as much a function of the standalone nature of the work as it is to their physical remove from the Department's Headquarters.

Finding: Cross-divisional working

F1.7 Internal collaboration: Inter-Branch cooperation is an area of considerable strength.

1.4 CROSS-SECTOR AND CROSS-GOVERNMENT ENGAGEMENT

A Department's ability to exert influence across the government system and to build coalitions of common cause is examined in this section, and involves a number of distinct but intertwined considerations.

1.4.1 THE CIVIL/MILITARY RELATIONSHIP – GENERAL

The bilateral relationship between the Department and the Defence Forces, which is comprised of the Army, Naval Service and Air Corps, is set by reference to a number of frameworks, most notably the following:

- a) **Governance Framework:** The recently updated *Governance Framework* sets out the legal and historical basis for its remit and relationship with the Defence Forces, which notes that the Department of Defence was established by the *Ministers and Secretaries Act, 1924* which assigns to the Department “*the administration and business of the raising, training, organisation, maintenance, equipment, management, discipline, regulation and control according to law of the military defence forces. The Department comprises civil and military elements. Its mandate reflects the global concept of civil control of the armed forces. The Minister is assisted in discharging his functions by the civil and military elements of the Department of Defence which have distinct but complementary roles*”.
- b) **Defence Acts:** The *Defence Act, 1954* as amended, together with Defence Force Regulations (DFRs) made under that Act, also govern the Department's work and the work of the Defence Forces.

As in any relationship, tensions and disagreements can and do arise from time to time. However, it is noticeable from many of the engagements during the evidence-gathering that the relationship between the civil and military sides has, until relatively recently, been particularly strained. And while many staff believe that on a day-to-day basis the relationship with their military counterparts is very good, the same cannot be said of the relationships between the senior cohorts on both sides. In fact, a great many managers and staff are of the view that managing the relationships with the Defence Forces is the single biggest challenge faced by the Department.

Seeking a new way: The importance of addressing these difficulties has been readily acknowledged by both the Secretary General and the Chief of Staff, both of whom are relatively recent appointees to their respective roles. There are clearly strong commitments on their parts to ensure that the mutual distrust, which has characterised much of the recent civil/military relationship at senior levels, must be quickly eliminated and replaced with a new dispensation built on trust. This will require significant levels of personal investment by all concerned and a willingness to better understand each other's perspectives.

Examples of strong civil/military cooperation: Despite the tensions, there are many areas where both the civil and military sides work effectively with a shared vision and common purpose. Examples include the following:

- a) **Civil/military teams:** As is set out in detail in chapter 3, section 3.1, joint civil/military teams are tasked with delivering on the many projects in the *White Paper on Defence* as well as on projects arising from the Public Service Pay Commission Report. For example, the High Level Planning and Procurement Group (HLPPG) is a joint civil/military group whose role is to develop and implement

multi-annual rolling plans for the Defence Forces for equipment procurement and disposal, along with infrastructural development (including property acquisition), based on the policy priorities in the White Paper.

- b) **Ceremonial occasions:** There is daily close interaction between both sides across almost the entire spectrum of the Department's activities. Much of that engagement runs smoothly and efficiently and is characterised by well-established and strong inter-personal working relationships. The excellent working relationships between the civil and military sides is especially evident in the high-quality contribution made to the *Decade of Centenaries* programme.
- c) **Furthering the needs of Defence Forces' personnel:** The Joint Standing Committee (JSC) on Medical Service Delivery provides a good example of collaboration in progressing reviews of medical service delivery. The Working Group on Medical Care which was established to extend private medical care to enlisted personnel of the Defence Forces is another. Likewise in the challenging area of litigation, the relationship between civil and military personnel is strong with a good sense of both sides 'being on the same team.'

1.4.2 THE CIVIL/MILITARY RELATIONSHIP – EU AND INTERNATIONAL

There are two facets to be considered under this heading: civil/military relations amongst those staff based in Brussels and the bilateral relationship between those staff and the Department and Defence Forces based in Ireland.

- a) **Civil/military relations – amongst Brussels-based staff:** The Brussels-based staff from the Department of Defence, the Defence Forces and the Department of Foreign Affairs work very well as a team which is well led. The engagement structures are effective, involving open and regular face-to-face meetings. As needed, more informal communications channels are relied upon and are frequently used. The quality of briefing and other materials exchanged between the civil and military sides are invariably of high quality and provided in a timely manner.
- b) **Civil/military relations – Brussels to Ireland:** The military-based staff in Brussels are well-supported by their civil colleagues in the ISDP Branch. A virtual meeting between them takes place every Friday, and there is strong sharing of information which contributes to the preparation of briefing for both civil and military colleagues. The provision of high quality materials in a timely manner is common practice.

More generally, even though there are good and structured communications channels in place between the Department and Brussels-based civil and military colleagues, it is necessary from time-to-time to rely on informal communications channels. This reflects the urgency with which input from home is frequently required in relation to issues being discussed/considered by Brussels-based colleagues. Any misunderstandings that may occasionally arise from the use of these more informal communications channels are normally quickly clarified, reflecting the collaborative manner in which the Brussels-based operation works.

1.4.3 THE CIVIL/MILITARY RELATIONSHIP – PAY AND INDUSTRIAL RELATIONS

The area of Human Resources and Industrial Relations within the Defence Forces involves high levels of ongoing cooperation – see chapter 3, section 3.4. A Strategic HR Group comprising senior civil and military personnel has been established, primarily with an oversight function.

There is a view that issues take a long time to be progressed to conclusion. This can be attributed in some cases to the complexities of the issues raised, and in other cases may be due to the fact that the Department does not always have a free hand when it comes to responding to claims from Defence

Forces' Representative Associations as it must at all times operate within the parameters of public service pay and conditions set down by DPER. It is an area that requires ongoing attention.

The specific issue of the application of the Working Time Directive to the Defence Forces remains a particular source of tension, particularly from the perspectives of the Defence Forces' Representative Associations – see *chapter 3, section 3.6.2(e)*. This issue is complex and requires cognisance to be had to legal judgments in other EU jurisdictions as well as ongoing interaction with Military Management and the Department of Enterprise, Trade and Employment which has lead responsibility for transposing the Directive into Irish law.

1.4.4 SHARED VISION

There is broad agreement amongst senior civil and military contributors to this Review that while there is a shared vision between the Department and the Defence Forces on the general future direction of defence in Ireland, it is in need of further development and refinement. Amongst the points made in that context are the following:

- a) **Ambition and resources:** The shared vision on the defence of the state is set 'within the ways and means available'. In that respect, while individual strategies and programmes pitch ambition at a certain level, the amount of funding available makes it difficult to deliver on the ambition.
- b) **Diverse expression:** Elements of a shared vision can be found in the *White Paper on Defence*, the *Joint Statement of Strategy* which sets out a shared high level goal, and the *Civil Defence – Towards 2030* strategy. The *Report of the Commission on the Defence Forces* offers the prospect of further development.
- c) **Integration:** Differences between the civil and military sides do exist from time to time on the most appropriate and effective means of pursuing a shared vision. While such divergence is generally regarded as contributing to healthy debate, it is notable that the Defence Forces point to shortcomings in both civil and military resourcing levels and pace of delivery as the key inhibitors to crystallizing a shared vision and making it an achievable reality.

The general civil/military consensus is that there is still a distance to travel towards a shared view of strategic goals, and while the *White Paper on Defence* sets out a general policy direction, it falls short of a full articulation of a shared vision for defence in Ireland.

The development of a *Statement of Values and Behaviours* between the Department and the Defence Forces could act as the catalyst for developing, articulating and promulgating a shared vision and that, in turn, would have the potential to yield other benefits such as building mutual trust, improving bilateral relations, promulgating a shared identity, and enhancing strategic alignment between the civil and military sides.

1.4.5 INFLUENCING ACROSS THE GOVERNMENT SYSTEM

The four policy areas considered in this section are industrial relations, cyber security, engagement with the Department of Foreign Affairs, and emergency planning.

- a) **DPER – pay and industrial relations:** There is a palpable sense of frustration among many of the Defence Forces' interviewees regarding what they perceive as the Department's failure to properly and effectively represent their issues and concerns across the broader Government system. This is particularly the case in relation to the Department's dealings with the Department of Public Expenditure and Reform on issues relating to pay and conditions and the wider challenge of recruitment and retention.

The reality is that the Department frequently engages with DPER, both with the Vote on the Public Expenditure side and with the Public Service Pay and Pensions Division on industrial relations

issues. Like other small departments and offices, the Department of Defence struggles at times to have its voice heard; that however is not an indicator that it is not engaging as it should. As set out in more detail in chapter 3, section 3.4, senior departmental managers believe that DPER frequently tends to adopt an overly-cautious approach to issues which can often lead to an escalation in tension between the parties and that, in turn, is contributing to a perception among some military personnel that the Department of Defence is not doing all that it could in support of military colleagues.

- b) **National and cyber security:** The Department and the Defence Forces are active across the broad area of national and cyber security and have seconded staff in the National Security Analysis Centre (NSAC) located in the Department of the Taoiseach which has primary responsibility for the development of Ireland's national security strategy and the National Cyber Security Centre (NCSC) based in the Department of Communications. At an EU level, the European Commission is becoming more active in the rapidly-evolving cyber security arena – see *chapter 2, section 2.1.2 (b) for details*.
- c) **Relationship with Department of Foreign Affairs:** In terms of broader EU and international issues, the clear picture emerging is one of strong engagement by the Department, albeit operating within a very politically sensitive environment. Brussels-based staff are seen as bringing a significant level of expertise to their roles and engagement and the critical relationship with the Department of Foreign Affairs is well-managed. There is also evidence of strong support for Brussels staff from Departmental Headquarters.

Brexit has added significant complexity to the work of the Brussels office. Networking with other member states has had to increase, a greater agility in developing positions on new issues has been necessary, and more visible leadership on some matters has been required. With the workload of the office increasing in terms of both volume and breadth, it is necessary for the Department to maintain a close watch in terms of both capability and capacity into the future.

There is good engagement on a daily basis between the Department and the Department of Foreign Affairs on a wide range of cross-cutting issues.

- d) **Emergency planning:** The Office of Emergency Planning (OEP), which is a joint civil-military branch of the Department, supports the Minister for Defence in his role as Chair of the Government Task Force (GTF). The GTF usually meets around six times a year and its work is supported and guided by a work programme which is renewed and refreshed annually by agreement with all relevant departments and agencies.

The National Emergency Coordination Centre (NECC) is managed by the OEP and supports the Lead Government Departments responsible for managing national-level emergency incidents.

The Department's Civil Defence branch leads on collaboration with the local government sector by means of an inter-agency team on which both the County and City Management Association (CCMA) and the Principal Response Agencies are represented.

Emergency planning is a role which the Department carries out very well, and relations with the key players in this area are considered excellent.

In a related development, the Department has secured the agreement of other Departments that the OEP will assume the lead coordinating role for negotiating, transposing and implementing the cross-cutting Critical Entities Resilience Directive.² Key obligations arising from the Directive will be to develop a national strategy for enhancing the resilience of critical entities, the designation of a competent authority, the designation of a national single point of contact and ongoing facilitation of cooperation and enforcement functions.

Consequently, it is likely to involve the Department developing a compliance role for those sectors included in any finalised Directive once it is transposed into national law. It is likely that it will also oblige the Department to play a more active role in the future around influencing behaviours and actions across the wider public sector.

Findings: Sectoral and cross-government leadership

F1.8 Civil/military relationship – senior: The relationship between the senior cohort on the civil and military sides has been extremely strained in the relatively recent past and, while there are strong indicators that the situation is now improving, there is nonetheless a need for diligence and leadership to achieve fully the goal of a civil/military relationship that is built on mutual respect and trust.

F1.9 Civil/military relationship – middle and junior: Relationships between the Department and the Defence Forces below senior level are generally very well managed and effective.

F1.10 Civil/military relationship – decision-making: The pace of decision-making is a source of contention, and this is particularly evident in the area of industrial relations.

F1.11 Shared vision: While there is a shared vision between the Department and the Defence Forces on the general future direction of defence in Ireland, it is in need of further development and refinement. Of note is that the Defence Forces perceive resource constraints as a key inhibitor to making the vision an achievable reality.

F1.12 Engagement across government: The Department interacts well across the broader civil and public service.

1.5 COMMUNICATIONS

The Department's communications model, from both the external and internal perspectives, is examined in this section.

1.5.1 EXTERNAL COMMUNICATIONS

Given her own background and experience, the Secretary General has prioritised communications, including beefing up the Department's communications function through the recruitment of an individual with specialist experience in this area. Other issues and developments of note include the following:

- a) **Strategic communications:** The Communications Branch has only been in place for a short period of time and one of its main objectives in the immediate term is to develop a comprehensive communications strategy for the Department, focussing on both external and internal communications. This development is already having a positive impact within the Department.
- b) **Impact of social media:** Staff strongly believe that the professionalisation of the function was both necessary and overdue, particularly in the context of widespread negative and at times hostile media coverage of the Department, especially on social media which has involved personalised

² The European Commission has published a proposal for a Directive on the resilience of critical entities covering ten sectors - energy, transport, banking, financial market infrastructures, health, drinking water, waste water, digital infrastructure, public administration and space. Its general objective is to ensure the continuous provision of essential services in the context of the internal market provisions within the EU Treaty by enhancing resilience of operators of critical infrastructure.

attacks on some named senior officials. Such negative and critical media coverage has contributed to some of the tensions in the bilateral relationship with the Defence Forces.

In response to such matters and reflecting the desire for more engagement on strategic issues, the Department has put in place a social media policy and now operates its own Twitter account and has become more proactive in communicating on its work and “getting its message out there”. There has also been a change in how the Department presents its official publications such as its Annual Report and Statement of Strategy with a more professional approach being taken in terms of design and presentation.

- c) **Raising the Department’s profile:** There is overwhelming support among departmental staff in favour of the Department doing more to raise its own profile. Many staff believe the general public are unaware of the difference between the Department and the Defence Forces and would have little understanding of the role and function of the civil side. This arises mainly because the Department does not have any substantial public-facing role, unlike the Defence Forces who tend to be involved in a range of highly visible activities. There is a strongly-held view amongst staff that it should be seeking to better promote the Department’s role and work, particularly amongst military colleagues, which in turn would help counter much of the inaccurate media coverage of late.

The Secretary General is strongly supportive of the Department raising its visibility through improved stakeholder engagement, attending and speaking at events, making better use of the Department’s website, and publishing articles where the opportunity arises. There has been a move in the last year to concentrate on the Department’s external communications and to develop a proactive rather than a reactive orientation. Additionally, there has been significant positive communications around the ‘Winter and Summer Ready’ campaigns through the Office of Emergency Planning.

- d) **Civil/military media:** While weekly bilateral meetings take place between the Department’s and Defence Forces’ Press Offices, further work is required to deliver closer cooperation into the future. There is little evident appetite among any of those interviewed for a joint press function between the civil and military sides, although many do advocate a closer working relationship to help create a more unified front to the public. This is supported by both the Chief of Staff and the Secretary General.

Fostering mutual trust and understanding is key to that aim, as well as a common appreciation of each other’s position. That would help avoid those occasions where disagreements arise as to whom is ultimately responsible for communicating on a given issue. Recent high profile events, such as the evacuation of Irish citizens from Kabul Airport after the fall of the Afghan government, provide good examples of strong unified communications between both sides, with both working together in pursuit of a common purpose.

1.5.2 INTERNAL COMMUNICATIONS

Internal communications within the Department are generally good, with the majority of staff expressing satisfaction regarding the frequency and quality of information from their managers and the corporate business areas. Other notable points include the following:

- a) **Visibility of Secretary General:** The personal and informal communications style of the Secretary General was widely praised by staff who appreciate the regular staff updates and encouragement received from her. Staff based in the Department’s Renmore offices in Galway also expressed appreciation for the fact that she has visited the premises and met some staff in person [during the Covid pandemic].

- b) **Corporate communications:** After a challenging start, the Department's communications to those staff working remotely during the Covid-19 pandemic has improved significantly. There are now regular updates in relation to online training, wellbeing and other department-related issues. It was however commented on that many staff feel inundated at times with emails. Minutes of Management Board meetings are also available online, however concerns were raised in relation to the level of detail and timeliness of the minutes.

The Department's Intranet is a further source of information. This was upgraded a couple of years ago based on an OGCIIO template. Branches and staff are invited to post work-related material to keep the site as up-to-date and relevant as possible. However, reservations were expressed about ease of navigation and an OGCIIO-led group is being put in place to address this situation.

- c) **Staff meetings:** There is no formal policy in existence regarding the holding of Branch (Business Unit) meetings and, as a result, the regularity of such meetings varies from area to area. Some branch meetings are led at PO level, others at AP; some meet monthly, others less frequently. These meetings, particularly when staff are working outside the office, are extremely important to ensure everyone is kept aware of work-related developments, to guard against isolation while working from home, and to ensure that new staff feel part of a team and are being properly and effectively managed and mentored.

The Department operates a register, which is updated monthly, documenting the frequency of meetings held and this is submitted to the Board on a quarterly basis. Nonetheless, the practice of holding business meetings clearly varies across the Department.

The staff engagement levels in the Galway office were not as good as elsewhere in the Department and this is something that the HR Branch and local management should address.

- d) **Visibility:** Many staff commented on the lack of visibility of Management Board members at the Department's HQ in Newbridge at times (this issue pre-dates Covid and the remote working regime). This is a function of the Minister being based at least three days a week in Dublin which, together with attendance at Senior Officials Groups, in turn obliges the Board members to often be there as well.

There are clear advantages in having senior management working in close contact with their staff and colleagues and therefore this situation presents a leadership challenge for the Secretary General specifically and the Board generally. Although not a significant issue while remote working continues to be in operation, the matter will need to be addressed when there is a physical return to the workplace.

Findings: Communications

F1.13 Function – stronger focus: The communications function within the Department is being prioritised. A social media policy is now in place and a broader communications strategy is being developed.

F1.14 External – Department's profile: There is a strong view internally that the Department needs to work to raise its profile and do more to promote the good work it does, especially amongst military colleagues.

F1.15 External – civil/military messaging: There is broad agreement that more work is needed to create a more unified message from the Defence Organisation as a whole.

F1.16 Internal – staff engagement: Inconsistencies exist within the Department regarding the frequency of staff meetings and information sharing, although overall it performs well in respect of the latter.

F1.17 Internal – Board visibility: The visibility of Board members had been a challenge pre-Covid and is expected to be so in the future when there is a physical return to the workplace.

RECOMMENDATIONS ON LEADERSHIP

1A CRITICAL RECOMMENDATIONS

R1.1 Board and decision-making: The Board should urgently and critically examine how it is operating, how it structures its priorities and decision-making, and how it ensures that the urgent routine matters do not prevent it from giving due and necessary consideration to broader strategic issues requiring its special attention.

R1.2 Grade drift: The Management Board should take steps to ensure that as part of the PMDS process, the roles and responsibilities of managers are appropriate to their grades and that effective delegation practices are followed.

R1.3 Joint civil/military statement: As one means of building on the positive momentum now evident in civil/military relations, a *Statement of Values and Behaviours* between the Department and the Defence Forces should be developed, as it has the potential to improve mutual trust, contribute positively to bilateral relations and act as a strong base for developing a shared vision.

1B IMPORTANT RECOMMENDATIONS

R1.4 Strategic Management Committee (SMC) and its operations: The Management Board, in consultation with military colleagues, should consider whether there is a need to further enhance the role of the SMC to enable it to play a broader role in the challenges facing the Defence organisation.

R1.5 Ministerial engagement – Board and POs: There is a need to examine the nature of senior management’s practical engagement with the Minister and, notwithstanding some challenges posed by decentralisation, it will be important to ensure that all Board members and indeed the PO cohort have greater opportunities to develop strong working relationships with the Minister.

R1.6 Ministerial engagement – SMC: The frequency of ministerial interaction with the Strategic Management Committee should be examined to facilitate improving information sharing and understanding of mutual positions.

R1.7 Board engagement – POs: The Board and the PO cohort, whether through the Management Group and/or in consultation with the PO Forum, should engage in a more structured and systemic way than at present in jointly considering options for addressing departmental and sectoral challenges.

R1.8 Staff networks – support: Board members and POs should engage formally with the AP and HEO staff networks on how they might better support them in their work and deliberations.

R1.9 Communications strategy: Work on developing a comprehensive communications strategy should be prioritised.

R1.10 Business meetings: The importance of regular and inclusive staff meetings needs to be reinforced. This is particularly important at a time when the majority of staff remain working remotely.

2. POLICYMAKING

The second module of the methodology template for the capability review programme relates to POLICYMAKING.

This chapter deals with the Department's policies and strategies, policymaking capability, business planning, alignment between related strategies, and general capability to undertake appraisals and evaluations, along with the management of data which is critical for both policymaking and delivery.

2.1 DEFENCE POLICY AND STRATEGY

The Department of Defence is an initiator, developer, overseer and implementer of policies and strategies which define and set the parameters for the business of the Department, the Defence Forces and the broader defence sector.

2.1.1 DEFENCE POLICY

The role of the Department and the future of the Defence Forces form a subset of defence policy which also includes diplomacy and the supply of security; policy therefore encompasses more than the Defence Forces.

As already noted, the Department does not have a single readily available document that constitutes a statement of defence policy. Instead, policy usually finds expression in the articulation of longstanding government positions as well as in formal published documents:

- a) **Longstanding policy positions:** Ireland's positions on certain matters of defence policy have been adopted and continued largely unchanged by successive governments, mostly notably in terms of: (i) participation in UN peacekeeping missions, and (ii) military neutrality which is characterised by non-membership of military alliances and non-participation in common or mutual defence arrangements. Such policy stances form a core element of overall defence and foreign policy and permeate the various strategies and programmes in place.
- b) **White Paper on Defence (2015):** This White Paper, and the three-year reviews built into the process over a 10-year horizon, constitute a significant step forward in strategically developing a long-term defence plan. Through this process, the formal policy cycle has become regularised, although it is generally acknowledged that the White Paper of itself falls short of a full articulation of policy.

A notable feature is that the White Paper comprises a mix of investment projects in built infrastructure and equipment alongside quite complex policy initiatives such as exploring Ireland's contribution to gender focused measures in peacekeeping, particularly in relation to the appropriate deployment of female personnel. As will be elaborated upon later in chapter 3, section 3.1, this combination has given rise to some delivery challenges.

- c) **Programme for Government:** One of the principal commitments in the *Programme for Government – A Shared Future* involves the establishment of an independent Commission to examine a range of specified matters relating to the medium and longer-term defence requirements of the State. The conclusion of that body of work broadly coincided with the finalisation of this capability review of the Department and, together, they are designed to improve the capability and capacity of the defence sector to meet future needs and challenges.
- d) **Joint Statement of Strategy:** As elaborated upon later in section 2.3.1, the civil/military *Joint Statement of Strategy*, which corresponds with the tenure of the serving Minister, is regarded as

beneficial in a number of ways, including that it draws together commitments in the *White Paper on Defence* and the *Programme for Government*.

- e) **Civil Defence – Towards 2030:** Civil Defence forms part of Ireland’s defence apparatus but operates independently of the Defence Forces.³ From the perspective of central government accountability and management, responsibility for the organisation falls under the aegis of the Department.

In June 2020, the Department published a policy document, *Civil Defence – Towards 2030*, which is the outcome of a review initiated in September 2018. The document sets out the roles and services to be provided by Civil Defence into the future in the five service areas of emergency response, search and rescue, medical response, community assistance, and radiation monitoring.

- f) **Commission – policy implications:** While the methodology for the Programme of Organisational Capability Reviews does not allow for assessments of policy, it is nonetheless particularly noteworthy that the *Report of the Commission on the Defence Forces* provides an opportunity for a public debate on the future of defence, including by reference to the fact that there are security and defence matters where Ireland is required to contribute to international deliberations. Against that background, the Department will be challenged to remould defence policy somewhat in the minds of the public and influence government on prioritising investment in new areas.

Finding: Defence vision and policy

F2.1 Defence policy: The Department does not have a single readily available document that constitutes a statement of defence policy. Instead, policy is set out in a variety of published documents and in longstanding positions enunciated in EU and UN contexts.

2.1.2 NEW, EMERGING AND UNRESOLVED AREAS OF DEFENCE POLICY

There are a number of security- and defence-related strategies and programmes either in place, in the process of being developed or being advocated/canvassed for. Some of them are the lead responsibility of a Department other than the Department of Defence, and others involve policy matters that have not been finally decided upon. Briefly, these strategies are as follows:

- a) **National Security Strategy:** The preparation of Ireland’s first *National Security Strategy (NSS)* is being led by the Department of the Taoiseach, with the Department of Defence being an active and well-respected contributor. Interviewees regard this arrangement favourably because the NSS will be much broader than defence alone; it will cover a multitude of matters involving a number of departments and agencies. It will complement and build on existing governmental strategies and frameworks across the security environment including on terrorism, cyber, hybrid threats, security of utility systems, and maritime security.

Consultations began in 2019 and ceased in March 2020 because of the Covid-19 pandemic and the consequent requirement to reallocate resources. At the time of writing, the Department of the Taoiseach had just recently recommenced engagement with the other relevant Departments, and planned to have a draft strategy ready in early 2022.

- b) **National Cyber Security Strategy, 2019 – 2024:** Lead responsibility for the development and implementation of this strategy rests with the Department of the Environment, Climate and Communications. However, the Department of Defence is a key partner in the process and the

³ Civil Defence is a statutory volunteer-based organisation with a nationwide footprint, established in 1951. Nationally, it is managed by 35 Local Authority Civil Defence Officers³ and has approximately 3,000 volunteers.

role of the Defence Forces is explicitly a supporting one, with their primary responsibilities relating to the protection of their own systems.

By way of introduction, cyber security is defined in the *National Cyber Security Strategy* as ‘the means of ensuring the confidentiality, integrity, authenticity and availability of networks, devices and data.’ However, it notes that as networks and information systems become more embedded and complex, ‘securing these becomes simultaneously more important and difficult.’

Ireland’s first *National Cyber Security Strategy (July 2015)* set out a road map for the development of the National Cyber Security Centre (NCSC) and a series of measures to better protect government data and networks, and critical national infrastructure.

Since then, a successor *National Cyber Security Strategy, 2019 – 2024*, which will form a subset of the *National Security Strategy*, has been developed, the NCSC has grown in scale and capacity, the EU Network and Information Security Directive 2016/1148 (NIS Directive) has been fully transposed into Irish law, and a significant number of measures to support departments and agencies in managing their systems have been introduced.⁴

The EU has a defence cyber strategy and Ireland contributes to it, involving both the Department and the Defence Forces. Information is shared and promulgated between the relevant parties and is fed into deliberations as required. Additionally, the Defence Forces participate in the work of the NCSC and have military personnel seconded to it.

Overall, it is accepted by the civil and military sides that a whole-of-government approach, supported by academia, is needed for the development and implementation of policies in the complex, fast-moving and multi-faceted area of cyber security.

The engagements with several key stakeholders, who are knowledgeable about the threats posed by cyber and hybrid attacks, suggest it is imperative that the Department, like other state entities, develop greater capability and expertise in this area.

- c) **Maritime security:** A broad range of departments and agencies have responsibilities in the maritime domain, principally:
- Department of Transport has responsibility for national maritime safety and port security;
 - Department of Agriculture, Food and the Marine and the Sea Fisheries Protection Authority have certain responsibilities relating to the security of maritime resources, especially in promoting compliance with the EU Common Fisheries Policy and sea fisheries law;
 - Department of the Environment, Climate and Communications has lead responsibilities relating to cyber security and pollution at sea;
 - Department of Justice has responsibilities in that the *Maritime Security Act, 2004* empowers the Naval Service, when acting at the request of An Garda Síochána, to counter unlawful acts against the safety of maritime navigation, sub-sea telecommunications cables and fixed platforms within the area of the continental shelf; and
 - Office of the Revenue Commissioners has responsibilities to combat the smuggling of illicit narcotics and other contraband.

⁴ Furthermore, approximately 70 critical national infrastructure operators have been legally designated as such, and have been made subject to binding security requirements and to a binding incident notification requirement.

The relationships with these Departments/Offices are managed by a variety of means, most notably through Service Level Agreements between the Naval Service and agencies such as the Irish Coast Guard and the Marine Survey Office – see chapter 3, section 3.5.

Civil and military contributors to this review, especially those directly involved in maritime matters, are clear that the fragmented state of maritime security needs to be resolved – a state that is succinctly epitomised by the fact that the Marine Attaché post in Brussels is co-funded by five separate government departments.

The Team undertaking this Review understands that:

- a *Maritime Security Strategy* is being considered in the context of developing the *National Security Strategy*, and
- there will be further consideration of the matter on completion of the *National Security Strategy* and the *Report of the Commission on the Defence Forces*.

Findings: National security

F2.2 Defence contribution: The Department and the Defence Forces are contributing positively to the development of the *National Security Strategy*; they are enthusiastic participants and are very well informed.

F2.3 Maritime security: There is a need for the fragmented state of maritime security to be resolved definitively so that maximum efficiencies and synergies might be achieved in this important, multi-faceted and complex area of national policy.

2.1.3 LEGISLATIVE FRAMEWORK

As set out in the Introduction to this report, the legislative base of the Department and the Defence Forces is set out in the Constitution of Ireland and the *Defence Act, 1954*. The need to replace the Defence Acts featured quite prominently over the course of evidence gathering, and the principal points made are as follows:

REGULATIONS AND SCOPING PAPER

Two contextual factors would need to be considered regarding any replacement of the Defence Acts:

- a) **Act and Regulations:** Under the Acts, a considerable number of Defence Force Regulations (DFRs) have been made over the years to give effect to many of the provisions. The DFRs relate to a diverse range of matters, including in the area of pay and allowances.⁵ In those respects, two matters of particular note were raised over the course of evidence gathering:
 - a. **Updating Act:** The Defence Acts are in need of update, and this view is shared by senior management on both the civil and military sides. Of note is a belief that the legislation may not have kept up in all aspects with case law and jurisprudence.
 - b. **Regularising DFRs:** A number of DFRs are in place which require regular amendment and revision and, at times, they are used to deal with matters that, ideally, would more appropriately be dealt with by means of primary legislation.
- b) **Scoping document:** Conscious of such concerns, the Department's Legislation Branch has embarked on the preparation of a scoping document relating to a review of the Department's legislative framework. The exercise is aimed ultimately at consolidating and rewriting the existing

⁵ In addition, the military authorities issue Administrative Instructions made under Defence Force Regulations in relation to personnel and other internal matters.

legislative provisions in the form of a modern and appropriately structured and provisioned Defence Act. Steps being taken include the following:

- a. **Database:** Preparation of a comprehensive database of the extant Defence Acts and statutory instruments made thereunder, along with copies of the associated Administrative Instructions and General Routine Orders issued by the military authorities.
- b. **Inventory of deficiencies:** Consultations are underway with the Branches to identify deficiencies with the existing legislative framework which have come to light in the course of their work, and the identified items will be listed as part of the scoping exercise.
- c. **International comparisons:** A comparison is being undertaken between the provisions of the Irish Defence Act and the provisions of defence legislation in certain other countries. The intention is to identify any possible omissions in the Irish legislative framework vis-a-vis equivalent legislation elsewhere. The review will focus on countries that have a similar legislative and judicial framework to Ireland.
- d. **Policy parameters:** The scoping document will identify the key policy parameters which must be underpinned by the Defence Acts and put forward a possible approach as to how the review and rewrite of the Acts might best be progressed.

NEW DEFENCE ACT – FACTORS TO CONSIDER

In addition to the factors identified by the scoping exercise, the following points made by senior civil and military contributors to this review might usefully be borne in mind:

- a) **Command and Control Review:** The *White Paper on Defence* includes the following undertaking:

The Secretary General of the Department of Defence and Chief of Staff will jointly undertake a review of the current high level command and control structures in the Defence Forces having regard to international best practice on military command and control and drawing upon external expertise. This will include a review of structures for managing joint operations and intelligence. Recommendations for change will be brought forward to the Minister for Defence for consideration.

This review is being progressed by a joint senior civil/military team. Of note is the fact that the Commission in their terms of reference were asked to ‘consider the most appropriate governance and effective high-level command and control structures in the Defence Forces’ and as such any Government decision arising from the recommendations on this matter will need to be taken into account as this project moves forward.

Regarding the implications of the Command and Control Review for the development of a new Defence Act, there are overlaps between them and it would be necessary to ensure that they are taken fully into account in both exercises.

- b) **Specialist support:** The project would need specialist support in terms of parliamentary drafting skills to augment the expertise within the Branch: the Legislation Branch is small and quite a number of staff are relatively new. The Review Team understands that there has been initial engagement with the Office of the Attorney General in relation to the retention of expertise in parliamentary drafting and administrative law to support the work on defence primary and secondary legislation.
- c) **Inter-Branch collaboration:** Replacing the Defence Acts would give rise to a large resource effort across the Department as most, if not all, Branches would have to examine their own roles and responsibilities by reference to the emerging legislation and its potential impacts, both planned

and unintended, on their areas of work. Thus, ongoing and active leadership by the Management Board would be critical to the success of the project.

- d) **Cross-sector engagement:** The Defence Forces collectively and the three entities individually – Army, Air Corps and Naval Service – would undoubtedly have their own views on those substantive changes they would wish to see made to the existing Act. Mediating between different and varying civil/military wants would add complexity and sensitivity to the project.
- e) **Whole-of-government perspectives:** In line with the observation already made, defence and security involve much more than the Defence Forces. Foreign policy, academic perspectives, the priorities of other departments, and a broad range of other considerations, including those of representative associations, would have to be factored into deliberations. Thus, a whole-of-government perspective would need to inform any new legislative state.
- f) **Functional alignment:** Consideration has been given to the possibility that the Commission on the Defence Forces may make recommendations that involve a transfer to the Defence Forces of certain functions and activities currently undertaken by the Department. A review of the Defence Acts might also usefully explore such matters; however, any recommendations for the transfer of further functions should be subject to the proviso that the delegation of responsibility must be accompanied by a matching delegation of accountability with appropriate governance and oversight.

Finding: Developing new Defence Act

F2.4 Management of project: The Department is taking the critical first steps to replacing the Defence Acts with a modern and appropriately structured and provisioned Defence Act. The scoping exercise currently under way has the hallmarks of best practice and its full implementation would provide a strong foundation for bringing the project to a successful conclusion. Ongoing leadership by the Management Board will be critical in that respect.

2.2 POLICYMAKING CAPABILITY

Because of the Department’s limited legislative base, its single purpose remit and service delivery orientation, a number of interviewees point to the limited opportunities available to them to input into the development of policy and strategy. Despite that, there are likely to be greater opportunities for such work over the years ahead arising from the ever-increasing attention being afforded to security and defence, and resilience matters, especially at EU level.

2.2.1 POLICYMAKING STRENGTHS

Development of the Department’s new policies, strategies and programmes over recent years points to a number of strengths, notably as follows:

- a) **Skillsets:** The thrust of the evidence is that the skills and capability to develop policy and strategy exist for the most part within the Department. There are high calibre and dedicated personnel at every grade. In civil/military deliberative settings, there is a generally high level of mutual respect for the contribution and integrity that each party brings to a deliberative forum. Of special note is a belief amongst Military Management that the Department has the necessary capability to undertake analytical assessments for strategic planning purposes and policy-related decision-making.
- b) **Stakeholder engagement:** The Department has been quite strong in its efforts to engage with stakeholders when countenancing and planning strategic change. A particularly strong example can be found in the development of the *Civil Defence – Towards 2030* strategy whereby stakeholder engagement was exemplary.

Stakeholder engagement on developing the *White Paper on Defence* was more mixed. Its development was preceded by a Green Paper which invited submissions from stakeholders and the general public. Subsequently, two working groups were formed:

- Group A dealt with the security environment with inputs from the Department of Defence, the Defence Forces and other Departments, along with joint civil/military engagement with those who had made submissions; and
- Group B was tasked with translating the requirements and possibilities from Group A into military concepts, and outputs of that work feature in an annex to the White Paper. Throughout the process, various Branches of the Department were involved.

When the process moved from Green Paper to White Paper, some interviewees spoke very positively of the quality of engagement whereas others, especially some of the Defence Forces' Representative Associations, were critical of both the level of consultation and the process involved. One way or another, there are lessons that can be learned from the White Paper exercise for similar initiatives in the future.

2.2.2 POLICYMAKING CHALLENGES

The following policymaking challenges were identified over the course of evidence gathering:

- a) **Defence sector awareness:** There is a strong belief amongst Military Management that the overall level of understanding and awareness within the Department of the environment in which the Defence Forces operate and the challenges they face is moderate at best, and certainly lower than it should be. That opinion is shared as well by some senior managers in the Department itself. Officials argue though that if the premise is that departmental officials need to understand the Defence Forces better, the corollary is also true that the military needs to understand the civil service better, and indeed the political environment and its limitations. Again, that opinion is shared on the military side.

Turning specifically to the Defence Forces' operational environment, two aspects need to be considered:

- a. **Policy environment:** While there is very strong understanding of the broad defence and security environment in a number of specialist areas such as the International Security and Defence Policy Branch (ISDP), understanding of that environment presents a challenge across the Branches generally. There is a shared view between the civil and military sides that the Department could and should do more in the area of defence policy training by reference to the EU and wider international contexts, to the Department's policymaking role and to the Defence Forces' operating environments.
 - b. **Operating environment:** The operating environment of the Army when serving aboard on UN missions and the Naval Service when engaging on patrol exercises are regarded as poorly understood and under-appreciated by departmental officials. Any installation and tour visits by officials are viewed very favourably by the military as they foster understanding amongst policymakers of the challenges they face, as well as promoting cross-sectoral solidarity.
- b) **Research capability:** While the Department has highly-skilled staff across a range of disciplines and policy areas, it lacks a dedicated research function to aid policymaking. Such a function, which is necessary against the backdrop of fast-moving change in international security and defence, would have a particular focus on benchmarking and best practice analyses of policies, developments and innovations in other countries, particularly EU member states.

There is a particular challenge in that there is no Defence Academy in Ireland and no baseline for defence information. Informal networks, which have been built up over time, can be tapped into, however some of the corporate memory will be lost due to impending retirements, especially at PO and Assistant Secretary grades.

More generally, departmental capability in policymaking needs ongoing attention, involving a mix of defence research, a greater role for third-level input, staff training, and targeted recruitment. On education specifically, it would not be feasible for the Department to offer its staff full-time education opportunities akin to those on offer to Defence Forces' personnel. Nevertheless, closer engagement with academia would be most helpful. In particular, the future development of long-range defence-related policy and planning should include a key role for third-level academic research, as such exercises would be incomplete if dominated by military perspectives and inputs.

- c) **Operational inputs into policy:** Much of the business side of the Department, including operational activities, can contribute to building capability in a policy context. For example, the ISDP Branch has a major policy dimension to its work and there are some policy elements to the work of the Planning and Organisation, Property Management and Litigation Branches as well. Additionally, the work of Contracts Branch is set within a policy context involving investment choices between land, sea and air. Thus, whenever embarking on new policy initiatives, the insights and views of managers and staff from across the organisation should be sought, as well as those of external stakeholders.

Findings: Policymaking capability

F2.5 Changing policy environment: Although a large proportion of the Department's work is of an operational nature and there are limited opportunities for staff to undertake policy-related work, that situation is likely to change over the years ahead arising from the ever-increasing attention being afforded to security and defence matters, especially at EU level.

F2.6 Policymaking skills and practice: While the Department has considerable skills and capability to develop policy and strategy, they are concentrated in a relatively small number of staff and business units. Stakeholder engagement is a strength, and that was particularly evident in the development of the *Civil Defence – Towards 2030* strategy.

F2.7 Awareness of defence environments: There is scope for improving the levels of understanding and awareness across the Department of the policy and operating environments of the Defence Forces and the challenges they face, and for the Defence Forces to develop their understanding of the workings of the civil service and the wider government and parliamentary systems.

F2.8 Research capability: Defence research capability is significantly underdeveloped. The Department lacks a dedicated research function to assess developments and best practice examples in a range of security and defence areas.

2.3 BUSINESS PLANNING

The Department's *Joint Statement of Strategy* provides the framework for business planning at Branch level, and performance management for individual managers and staff.

2.3.1 JOINT STATEMENT OF STRATEGY

The business planning process has a number of distinguishing characteristics as follows:

- a) **Joint civil/military strategy:** The Department's *Statement of Strategy*, currently covering the period 2021 to 2023 and reduced from some 80 pages previously to 15, is a joint civil/military

product. This sectoral basis approach is unique in the Civil Service and the much shorter strategy is regarded as a significant improvement, especially in simplifying, articulating and promoting policy. The strategy is the product of stakeholder engagement, principally with the Defence Forces, and internal consultations involving the Management Board and the various Branches.

- b) **Goals and actions:** The strategy is set by reference to a high level goal as follows:

To provide for the military defence of the State, contribute to national and international peace and security and fulfil all other roles assigned by Government.

This goal is disaggregated into three policy pillars: Defence Policy, Ensuring the Capacity to Deliver, and Defence Forces' Operational Outputs. Underneath each of them is a small number of strategic goals such as 'enhance cross-cutting policy collaboration' to which are set objectives and actions. A mid-term review was built into the current statement to accommodate any changes arising from the work of the Commission on the Defence Forces and the OCR.

- c) **Engagement:** The *Statement of Strategy* is developed jointly by the Department's Planning and Organisation and the Defence Forces' Strategic Planning Branch. In the opinion of senior management on both the civil and military sides, engagement on developing the strategy was very collegiate and constructive, and was marked by healthy discussions on high level priorities.
- d) **Sectoral-based strategy:** Notably, the Department does not have a separate Departmental *Statement of Strategy* relating to those matters that are confined solely to its business whereas the Defence Forces have a strategy or Strategic Planning Framework of their own. On whether this approach is the most effective, the civil/military views break down broadly as follows:
- a. **Defence Forces:** In their view, the model encapsulated by the *Joint Statement of Strategy* is the correct approach. Overall, it provides a useful means for the civil and military sides to take stock and plan ahead and, to facilitate that, a mid-term review is built into the design.
- Interestingly, the military interviewees are of the view that their own separate strategy is also needed in order to ensure that the Defence Forces' planning processes and operational outputs are aligned with the *White Paper on Defence* (10 year timeframe), *Programme for Government* (usually around 4 years), and the *Joint Statement of Strategy* itself (duration linked to Ministerial tenure), and that it would not be possible for the latter to be activated fully if they did not have their own strategy.
- b. **Department:** Up to 2002, the Department used to have its own *Statement of Strategy* and a move to the Joint Statement was then made in the interests of encouraging cohesion with the Defence Forces and in reflection of the fact that delivery is a shared civil/military space. The current model is generally regarded as working well and should be continued, however it should be reviewed to ensure it remains appropriate.
- e) **Department-based strategy:** While views amongst departmental senior and middle managers are somewhat mixed on whether the Department should have its own strategy along with the Joint Statement, sentiment is more favourable amongst members of the Management Board than Principal Officers, although that is subject to some caveats:
- a. **Risk of separation:** Any move towards the development of a Department-specific *Statement of Strategy* could send a wrong signal and could create a sense of separation between the civil and military sides of the defence family.

- b. **Common mission:** Arising from the above risk, a departmental strategy would have to be set by reference to a common mission with the Defence Forces and underpinned by shared objectives.
- c. **Differentiation and needs:** In the opinion of some managers, the need for a separate *Statement of Strategy* for the Department is not apparent and it is difficult to imagine how it would differ in substance from the Joint Statement already in place with the Defence Forces.

Ultimately the decision on whether the Department has its own Statement of Strategy is a matter for the Secretary General and her colleagues on the Management Board.

Findings: Statement of Strategy

F2.9 Civil/military strategy: Over the past two decades, the Department and the Defence Forces have devoted considerable time and energy to fostering and developing shared approaches to pursuing and achieving shared goals. The *Joint Statement of Strategy* is an important manifestation of those efforts and is regarded favourably as a basis for working on agreed priorities.

F2.10 Department-specific strategy: Steps to introduce a separate *Statement of Strategy* for the Department could give rise to risks. Thus the risks relative to benefits would need to be considered fully before any such steps would be taken.

2.3.2 DEPARTMENTAL BUSINESS PLANS

The Department’s *Joint Statement of Strategy* is cascaded down into business plans prepared at Branch level. There are a number of features to this process:

- a) **Board engagement:** Each Branch is required to present on its business plan to the Management Board, covering both progress to date during the year and plans for the year ahead. While the PO typically introduces the plan, it falls to APs and HEOs to perform the speaking roles. Engagement is generally good, although understandably it tends to be more intense on those matters where there are crossovers between Branches.
- b) **Input by middle management and staff:** There is variable input by HEOs and EOs into the business plans of Branches. Generally the smaller the Branch, the greater is the likelihood that their contributions will be sought.
- c) **Reviews:** A mid-year review of each business plan takes place, although not involving any engagement with the Management Board, and the year-end review is done as part as the business planning for the following year.

Finding: Business plans

F2.11 Internal synergies: While the business planning process works well, there may be scope to improve complementarity between the business plans of individual branches and business units as, at present, scrutiny in that respect is confined to the Management Board only.

2.4 STRATEGIC ALIGNMENT

As noted already in chapter 1 and later in chapter 3, there are a variety of engagement structures, processes and procedures in place aimed at achieving strategic alignment and cohesion between the plans of the Department and the Defence Forces. They principally take the form of civil/military forums such as the Strategic Management Committee (SMC), the High Level Planning and Procurement Group (HLPPG) and task-specific joint working groups, supplemented by a considerable and varied amount of day-to-day bilateral consultations. Ministerial-level meetings, the *White Paper*

on Defence, the *Joint Statement of Strategy* and the *Programme for Government* set the context and provide the frameworks for most of the cross-sectoral pursuit of shared priorities.

The evidence points to three additional matters of note:

- a) **Priorities Document and SMC:** The *Priorities Document*, which plays a central role in guiding the deliberations of the SMC, provides a good mechanism for strategic alignment between the Department and the Defence Forces – see also chapter 1, section 1.2.
- b) **Limitations and trust:** A practical limitation in striving for strategic alignment arises in that the Defence Forces operate on a contingency basis in many areas of its activities – for example, assisting with the Covid-19 vaccination programme. For such operations, the Department must engage very closely with military colleagues to work through whether a planned operation, activity or issue is primarily a lead matter for the Minister or the Chief of Staff. A particular consideration is that a military operational matter can sometimes have a policy- and/or politically-sensitive implication. Against that background, differences in opinion and perspective can and do arise from time to time between the civil and military sides.

Building trust lies at the heart of the matter and, to that end, the development of a *Statement of Values and Behaviours* between the Department and the Defence Forces (see chapter 1, recommendation R1.3) has the potential to contribute positively to improving civil/military strategic alignment. Obviously, the Secretary General and the Chief of Staff would have critical enabling roles to play in making the process work well.

- c) **Defence Forces' Strategic Planning Framework:** Whereas there is full civil/military engagement when the *Joint Statement of Strategy* is being developed, no similar consultations take place with the Department when the Defence Forces are developing their own *Strategic Planning Framework* document. Notwithstanding that, there is nonetheless a shared consensus between the two sides that the approach is appropriate, as the document is focused on giving practical effect to high level objectives already agreed bilaterally. In that way, strategic alignment is strengthened, not compromised.

Finding: Strategic alignment

F2.12 Strategic alignment: Effective structures and mechanisms are in place to enable strategic alignment to be achieved between the Department and the Defence Forces.

2.5 APPRAISAL CAPABILITY

The *ex-ante* or forward-looking assessment of an investment proposal, commonly called an 'appraisal', constitutes a critical initial link in programme and project management. If done well, a strong foundation is laid for intended benefits to be realised; if not, the risk profile will rise and poor outcomes may materialise. The main conclusions reached include the following:

2.5.1 APPRAISAL PROCESS

The Department does not have a dedicated Economic Analysis Unit or Appraisals Branch to assess investment options. Instead, appraisals are carried out by the following means:

- a) **Governance:** The civil/military High Level Planning and Procurement Group (HLPPG) provides guidance and has processes in place to assist with undertaking appraisals. The HLPPG considers and critiques investment proposals presented to it and, only when satisfied, gives approval to proceed. It is supported in its work by a civil/military Working Group.

- b) **Potential values of up to €300k and €1m⁶ – military equipment and built infrastructure:** Proposals to hold tender competitions with a potential value of between €300k and just under €1m require prior approval by the HLPPG Working Group, and if the potential value is €1m or more, approval of the HLPPG itself is required.

In the case of military equipment, relevant business areas prepare the appraisal in accordance with an agreed Expenditure Proposal Template and ensures compliance with the requirements of the Revised Public Spending Code (PSC). For built infrastructure projects, such work is undertaken by the Defence Forces and sent to the Property Management Branch for review, principally from the perspectives of methodology and compliance with the Revised PSC.

- c) **Potential values of above €1m and less than €100m, and above €100m⁵ – equipment and built infrastructure:** For largescale equipment procurements and infrastructure projects such as the replacement of a ship or the construction of a major new building, prior approval by the HLPPG is required and, if €100 million or over, the approval of Government is also needed. In both scenarios, the Department, because it does not have the necessary skills, engages external consultants on an ‘as needs’ basis to undertake the appraisal,⁷ augmented on occasion by specialist technical support. The consultants work closely throughout with the Department and the commissioning Defence Forces’ entity – Army, Naval Service or Air Corps.

The Revised PSC requires that major capital projects must pass through a number of decision gates. For large defence projects costing €100 million or more, the Department consults with the Vote Section and other business units in DPER on such matters as PSC requirements. Additionally, it must first engage with, and get the agreement of, the National Investment Office before government approval to proceed with a project is sought.

2.5.2 ASSESSEMENT OF APPRAISAL CAPABILITY AND CAPACITY

A number of factors arise when considering if the Department has the necessary capability and capacity to undertake appraisals and if the governance model is effective:

- a) **Skills:** There is a strong shared view amongst senior management on the civil and military sides that the Department does not have enough staff with the necessary skills to undertake the number of appraisals required under the various investment programmes. That shortcoming is compounded at times by the tendency that those possessing the requisite skills are also involved in demanding project management work.
- b) **Appraisal unit:** Although the Department and the Defence Forces manage and administer significant capital programmes, no professionally staffed business unit to undertake appraisal and evaluation work exists at present.
- c) **Compliance with Revised PSC:** The staff in the Property Management Branch and the Contracts Branch undertaking appraisal-related work have built up considerable expertise and experience, and the necessary due diligence is applied to ensure compliance with the PSC. However, as expanded upon later in chapter 3, section 3.3, the Contracts Branch is stretched in exercising its procurement function, and this appraisal work requires a dedicated resource.
- d) **Awareness of requirements of Revised PSC:** Apart from the Property Management Branch and the Contracts Branch, there is some evidence to indicate that awareness amongst the generality of managers on the provisions of the Revised PSC may be in need of some attention.

⁶ All values are exclusive of VAT

⁷ For example, consultants are undertaking an appraisal of the proposed new Institute for Peace Support and Leadership

- e) **Oversight by the HLPPG:** Supported by specialist civil/military working groups, the HLPPG meets once a month to consider proposals and review delivery. A Joint Working Group, comprised of representatives from the Defence Forces, Contracts Branch and Finance Branch and/or Property Management Branch, reviews business cases. Appraisal templates, which must be completed as part of every project plan, are submitted to the appropriate channels for approval by a HLPPG Working Group and/or the HLPPG itself depending on the value of the contract.

A matter requiring attention over the period ahead will be the need to ensure that the appraisal templates in use by the HLPPG will reflect fully the relevant provisions of the Revised PSC as it becomes incrementally embedded in public financial procedures and oversight.

- f) **Assessment of options:** For largescale investments, procurement is not always preceded by a Multi-Criteria Analysis of four or so possibly viable alternatives and instead, only a Cost Benefit Analysis of the preferred option is conducted. This approach is not in accordance with best practice and it generates a risk of the chosen option not being the most appropriate from the perspectives of efficiency and/or effectiveness.

Findings: Appraisal

F2.13 Appraisal capacity: The Department lacks a dedicated appraisal function and while having the capability to undertake and critique appraisals, it has an insufficient number of staff assigned to such work.

F2.14 Appraisal oversight: The governance role exercised by the joint civil/military High Level Planning and Procurement Group (HLPPG) is regarded very favourably, with appropriate checks and balances in place. Looking ahead, the Group should satisfy itself that full account of provisions in the Revised Public Spending Code are factored into its deliberations.

F2.15 Awareness of Revised PSC: Although there is a generally satisfactory understanding of compliance needs under the Revised PSC, there is scope to increase awareness amongst managers not involved in regular procurement and project management exercises.

F2.16 Assessment of investment options: In the case of proposed largescale investments, the assessment of a small number of potentially viable options (including 'do nothing') as a precursor to selecting a preferred option is not standard practice.

2.6 EVALUATION CAPABILITY

The *ex post* or retrospective assessment of an investment programme, project or scheme, commonly called an 'evaluation', can cast light on the dynamics of past performance, especially some features of best practice and any shortcomings, thereby helping in the future to strengthen decision-making and improve the design of similar initiatives.

The situation in relation to *ex post* evaluations by the Department is as follows:

- a) **Spending Reviews:** Such Reviews are the primary form of *ex post* evaluation currently in place. They are undertaken by personnel from either the Irish Government Economic and Evaluation Service (IGEES) or the relevant Vote Section in DPER, or a combination of them. The Department provides almost all of the financial data and non-financial information for the Spending Reviews. One of the most recent three reviews (the 2018 Pensions expenditure review) was carried out jointly by DPER and the Department of Defence. The most recent three Reviews are as follows:
- a. **Spending Review 2020 – Expenditure on Overseas Peace Support Missions (October 2020):** This paper provides a detailed account of Defence expenditure on overseas peace support,

both direct and indirect, and identifies trends in expenditure from 2006 to 2018, along with some international comparisons.

- b. *Spending Review 2019 – Civil Defence Expenditure (October 2019)*: This paper assesses the overall composition of spending on Civil Defence, both current and capital.
- c. *Spending Review 2018 – Defence Forces Pensions Expenditure (October 2018)*: This paper examines the trajectory of Exchequer spending on military pensions and the proportion of such spending relative to overall Defence expenditure over two decades.
- b) *Defence Forces Employment Support Scheme – Evaluation Report (October 2016)*: An evaluation of the Employment Support Scheme was undertaken by an Evaluation Group.⁸ It gathered and reviewed data and information to examine whether the objectives for the pilot scheme had been met, and included a collation of participants' views obtained in exit interviews.
- c) *PSC provision*: The Revised PSC provides that capital projects of €100 million or more must be subjected to both a full *ex ante* appraisal and an *ex post* evaluation involving external input. This provision, while not yet fully in place, will become active in due course.
- d) *Self-reflection exercises*: 'Lessons learned' exercises are undertaken by the HLPPG, especially when cost estimates of once-off specialist procurements are considerably underestimated, and overall budgets and projects are delivered well off-schedule. Additionally, commissioning business units are required to complete closure reports which involve cataloguing those delivery-related issues of special note that arose in the life of a project.
- e) *Emergencies – post-event reviews*: Post-emergency reviews and debriefs of weather-related events are undertaken by the national task force as a matter of course. These are well structured with consideration given to lessons learned. Local authorities do their own briefings as well in respect of those emergencies that are activated by local or regional emergency management teams.⁹ Notably, while scenario planning for non-weather emergencies does take place, there is scope nonetheless to improve preparedness across the various sectors and ensure coherence across the government system, underpinned by guidance prepared by the Office of Emergency Planning.

Findings: Evaluation

F2.17 Evaluation capability: The Department does not have the capability to undertake *ex post* evaluations. It relies on DPER to undertake Spending Reviews relating to the defence sector, and the self-reflection exercises undertaken on the conclusion of projects, while useful, are of limited value because they are not set within a formal evaluative structure.

F2.18 Emergencies – post-event reviews and scenario planning: Post-event reviews of emergencies are conducted to a high standard and some national emergency scenario planning for major non-weather events takes place. However, there is a gap in the guidance material available on scenario planning by reference to best practice.

⁸ The Group included representation from Department of Defence, the Defence Forces, the Department of Social Protection, the Ballymun Jobs Centre and the Baldoyle Training Centre of the Dublin and Dun Laoghaire Education and Training Board.

⁹ If it is the local or regional emergency management teams that are activated, the reviews are completed at that level; if it is the National Emergency Coordination Group which is stood up, the reviews are also undertaken at that level.

2.7 CAPABILITY IN DATA MANAGEMENT

This section examines policies and procedures relating to the Department's approach to data management including the use of data for policymaking, monitoring and evaluation purposes. The matters set out below constitute the principal features of the current state:

- a) **Data management policy:** The Department does not have a Data Management Policy. Unsurprisingly therefore, data management is not given the priority needed, and is significantly undervalued and underutilised as a business tool.
- b) **Defence Forces' data:** A major amount of the data required by the Department is held on military systems to which the Department has no direct access. The evidence suggests that, in the round, the current state is particularly poor and falls well short of satisfactory statistical management practices. The problem appears to be most acute on personnel-related data. That gives rise of particular concerns, as high quality data would be critical for example in assessing options around personnel retention and recruitment in the Defence Forces and its three constituent entities of Army, Naval Service and Air Corps.

For personnel-related managerial and administrative purposes, both the Department and the Defence Forces rely heavily on the Personnel Management System (PMS) which is a bespoke HR Solution that supports the operational and administrative HR requirements of the Defence Forces. In use since the early 1990s, the PMS was described by one interviewee as akin to a records management system instead of a database. As a result, the PMS is poorly structured for data management purposes and lacks the inbuilt business analytics functionality to support effective workforce planning, and that gives rise to two problems:

- **Manual intervention:** It is often not possible to pull different sets of operational data together without considerable manual effort which, of itself, increases the risk of errors and impinges negatively on timeliness, and
 - **Data confidence:** There is a lack of confidence at times amongst departmental staff in the integrity and accuracy of the data. This is exacerbated by not being in a position to query the underlying datasets and relying on pro-forma reports and/or requests through SPB for statistics in a particular format and receiving data not consistent with the original query and in some cases contradicting previously supplied data.
- c) **PMS stabilisation and upgrade/replacement:** Senior civil and military management accept that continuation of the current state is not a viable option and, as a result, a civil/military team, which reports to the Enterprise Applications¹⁰ and ICT Steering Board (see chapter 4, section 4.7.5), is overseeing a stabilisation project. The first phase involves stabilising the database and application's front-end as they are going out of support. That work is scheduled for completion in Q4 2022, requiring a decision to be made either then or beforehand on whether the existing system should be developed and enhanced, or alternatively if it would be better to replace the PMS altogether with an entirely new solution.

Regardless of which option is chosen, the relevant branches of the Department, such as Capability (People) Development and Support Branch, Defence Forces Personnel Policy Branch as well as the Pay and Pensions Division and Vote Section in DPER will need to be brought on board at design

¹⁰ Enterprise Applications (EA) are large system platforms designed to operate in a corporate environment and are focussed on satisfying the needs of an organisation rather than an individual and is used in such areas as financial management, project management, and procurement management.

stage to identify their specific data requirements, and a Business Intelligence application will have to be incorporated into the ultimate solution.

- d) **Data sharing:** With the exception of the Oracle eBusiness suite (eBS), which is a financial and inventory management application,¹¹ no data sharing by systemic technical means between the Department and the Defence Forces takes place. In a more positive vein though, once the upgrade to the PMS has been completed and the base application has been layered with Business Intelligence and shared reporting capability, departmental users will be able to undertake analytical exercises and run reports. As a general rule, that approach should apply to the maximum extent possible to those areas of business that are shared on a day-to-day basis between the Department and the Defence Forces, subject to putting in place whatever protections and protocols are considered necessary.
- e) **Data on sea fisheries protection:** A Service Level Agreement is in place between the Department of Defence and the Sea Fisheries Protection Authority (SFPA) for the provision of sea fisheries protection services by the Naval Service and Air Corps. Given the importance of the sea fisheries sector and the prominent role played by the Naval Service in supporting the work of the SFPA, it is important to draw attention to the following two data-related concerns:
 - **Performance metrics:** There is scope to improve the extent to which the suite of performance metrics maps onto EU standards and is the best fit for modern fishery protection purposes, and
 - **Aerial and naval data:** There is potential to achieve stronger harmonisation between the fisheries protection data gathered by the Air Corps and that collected by the Naval Service.
- f) **eBusiness suite and administrative datasets:** A rich repository of data is held on the Department's administrative systems. Generally, there is a lack of knowledge amongst senior managers on the data that could be harnessed from available datasets and how they could be exploited more fully to assist policymaking, options' assessment, business planning, and delivery oversight. Against both that background and the new ICT developments under way and planned (see chapter 4, section 4.7.4), the Department should seek to build data analytics capability. Such a development could greatly assist decision-making in both the Department and the Defence Forces in areas such as workforce planning, inventory management and procurement assessments.
- g) **Data protection:** A Data Protection Officer is in place to oversee the Department's statutory obligations relating to data protection, especially by reference to GDPR legislation. A written Data Protection Policy is also in place. Generally there is good awareness of data protection issues amongst staff, training is given, including as part of induction, awareness campaigns take place regularly, and strong ongoing support is provided to staff. The Defence Forces are a separate public body for the purposes of data protection. As such there are two Data Controllers which can potentially result in some confusion over the crossover with the Defence Forces when a data protection case arises.

Findings: Data management

F2.19 Defence data quality: There are concerns over the quality of some data from the Defence Forces, and correcting that state will be challenging. While both the civil and military sides agree that data management is an issue requiring particular attention, there is no developed agreement between them on what precisely needs to be done.

¹¹ Oracle eBusiness Suite (eBS) is a suite of integrated business applications including purchasing, payments, receipts, asset management, asset maintenance, account management, financial reporting and management reporting.

F2.20 Data management policy: The absence of a data management policy is a significant gap, and that gives a strong signal within both the Department and the Defence Forces that data management is not prioritised as a business instrument.

F2.21 Fragmented data state: Data is organised and managed in fragmented ways in some areas of business that are common to the Department and the Defence Forces, most notably HR-related data in the Defence Forces. As such data is critical for policymaking and planning purposes in areas like military staff retention and recruitment, a joint civil/military response is needed. In that respect, the replacement or substantive upgrade of the Defence Forces' Personnel Management System constitutes an important first step.

F2.22 Data sharing: There is very limited data sharing by systemic technical means between the Department and the Defence Forces. There is much potential to improve that situation, and such a development would yield considerable efficiency and effectiveness gains for both entities.

F2.23 Data analytics: Apart from Finance Branch, the Department lacks the necessary statistical/data analytics expertise to enable both it and the Defence Forces to manage data in accordance with good statistical practices.

F2.24 Fisheries protection data: Concerns were raised about the extent to which performance metrics on fisheries protection map onto EU standards and the degree of harmonisation between the data gathered by the Air Corps and the Naval Service.

RECOMMENDATIONS ON POLICYMAKING

2A CRITICAL RECOMMENDATIONS

R2.1 Defence Act: On conclusion of the scoping exercise on the Defence Acts, the Management Board should decide on each critical enabler to replace the ‘as is’ legislative state with a modern and fit-for-purpose Act and subsequently put in place all necessary measures, especially with regards to governance arrangements, project management methodology and specialist resources.

R2.2 Appraisal: The Department should establish a dedicated appraisal unit, led by an appropriately qualified specialist. The role of the unit, which would report to the Finance Officer, would be to undertake, review and approve appraisals, and provide advice and support to Branches, including on compliance with the Revised Public Spending Code. Governance would best be exercised by a combination of the Finance Branch, Contracts Branch and Planning and Organisation Branch, with the Finance Branch exercising the lead role.

R2.3 Data management: The Department should develop a Strategic Framework and supporting Action Plan on data governance and management. Together they would cover the civil and military elements and involve data sharing arrangements, including on matters relating to strategic workforce planning, military personnel management, procurement and the delivery of investment programmes.

R2.4 Data Analytics: The Department should enhance its capability to harness the data that it holds to support policy making, business planning and delivery oversight.

2B IMPORTANT RECOMMENDATIONS

R2.5 Options’ assessment: For largescale procurements, future appraisals should include assessments of the preferred option by reference to a small number of potentially viable alternatives, including a ‘do nothing’ option.

R2.6 Awareness of Revised PSC: A review should be undertaken of the templates in use by the HLPPG by reference to the Revised Public Spending Code, and proposals then submitted to the Group on the changes if any considered necessary.

R2.7 Evaluation: In tandem with developing capability to conduct appraisals, the Department, in consultation with the IGEES and the Vote Section in DPER, should develop a plan to enable it to recommence formally undertaking *ex post* evaluations, the core aim of which would be to establish whether the best decisions in support of the military are being taken, and what lessons might usefully be learned.

R2.8 Defence Forces’ Personnel Management System: The Department should ensure that it provides military colleagues with the necessary input and appropriate support to facilitate the development of a new fit-for-purpose HR Application for the Defence Forces ensuring that its design and delivery follow good practice, and that strong Business Intelligence is incorporated into the solution.

R2.9 Defence research unit: The Department should establish a Defence Research Unit that would set about developing a central repository on the defence policies and practices of countries with similar outlooks to Ireland, involving a focus on best practice analyses of policies, developments and innovations in other countries, particularly EU member states.

R2.10 Defence awareness: A civil/military programme should be developed so as to improve departmental understanding of the environments in which the Defence Forces operate, and develop understanding amongst the latter of the work of the civil service, wider government and parliament.

R2.11 Emergencies – scenario planning: The Department should prepare strategic emergency management guidelines relating to scenario planning and its exercise for use primarily by those lead Departments for each of the emergencies identified in the *Strategic Emergency Management – National Structures and Framework* document.

3. DELIVERY

The third module of the methodology template for the capability review programme relates to DELIVERY.

This chapter examines the effectiveness of arrangements to implement defence policies and strategies and major built infrastructure and equipment investment programmes. Other areas considered are customer service, innovation and continuous improvement, governance, and risk management.

3.1 IMPLEMENTATION OF WHITE PAPER ON DEFENCE

The *White Paper on Defence 2015* and the subsequent update published in 2019 set the defence policy agenda out to 2025 and encompass the vast bulk of work carried out by the Department of Defence, including Civil Defence and the Defence Forces.

The Defence Organisation, comprising the Department and Defence Forces, decided to adopt a programme management approach to implementing the actions. As a result, a bespoke project management approach and associated governance framework were developed to support the delivery of the 95 projects identified over a 10 year period. The principal features of the delivery model are as follows:

- a) **Delivery structure:** The oversight and implementation arrangements are as follows:
 - a. **Joint Team:** A Joint Civil Military White Paper Implementation Team (“Joint Team”) was established to facilitate implementation. It acts as a support to the Joint Project Teams and oversees the monitoring delivery framework that provides the tools for reporting on progress to the Minister, the Strategic Management Committee (SMC) and the Management Board.
 - b. **Joint Project Teams:** All projects, with the exception of those relating to Civil Defence, are being progressed by way of joint civil/military teams.
- b) **Civil/military collaboration:** Co-operation between the civil and military elements of the Joint Team is very good. They provide support and guidance to individual project teams in developing and implementing their project plans whilst also facilitating governance of the projects by the Department’s Management Board and the SMC.

The use of joint civil/military teams to progress the various projects is an area of strength; however the frequent mobility of Defence Forces’ personnel was highlighted as a challenge for continuity in business delivery.

- c) **Identification of projects:** In respect of those projects of a policy and non-capital nature, the actions to secure delivery were not clearly set out. Consequently, a separate exercise had to be conducted to identify and agree on the specific actions required to give effect to each undertaking. This resulted in some of them having been incorrectly designated as projects whereas in fact they were more appropriately related to business-as-usual policy-related activity. Examples include project number 59 relating to the further development of the supports available to exiting personnel and veterans, and project number 24 on initiating a new Bill to revoke existing Red Cross legislation with certain provisos.
- d) **Methodology and resourcing:** A single project management methodology was designed for use across all the White Paper projects spanning policy, capital acquisitions and infrastructure development. While the benefits in terms of governance of using a project management approach is well accepted by both civil and military management, concerns were raised about the appropriateness of attempting to apply a single approach to a range of commitments which may

fundamentally differ in terms of scale, type, complexity and risk. The additional administrative burden generated by the reporting requirements especially for the small scale projects was also raised as a source of frustration for some of the teams.

Overall, while significant progress has been made in implementing and progressing White Paper projects, challenges nonetheless have arisen as civil and military personnel work to progress them alongside their existing core work. There is a view amongst senior management that quite a number of the project timelines were overly ambitious and too many projects – some complex – were being initiated around the same time. These risks were compounded by an underdeveloped and inadequate resourcing model to support efficient delivery.

- e) **Project management training:** Extensive training was provided to both civil and military personnel at the outset and continues to be provided periodically as new personnel join the project teams.
- f) **Autonomy of civil leads:** The inability of departmental managers to lead on projects without requiring input from more senior colleagues for guidance and decisions was highlighted as a barrier to progress. The lack of autonomy to make decisions is a matter which is dealt with more comprehensively in chapter 1, section 1.1.
- g) **Rationalisation of projects:** In late 2020 a review of the progress made in implementing the White Paper projects was commenced and a revised implementation roadmap was agreed. This review was conducted in conjunction with the project leads and sought to identify opportunities to streamline the remaining projects. Factors involved in that exercise include the following:
 - a. **Absorbed by other initiatives:** Consideration was given to whether projects had been superseded by other initiatives such as the action plan to implement the recommendations arising from the Public Service Pay Commission Report.
 - b. **Reassigned as business-as-usual:** Some projects were reassigned for delivery as part of the day-to-day work of the Department and in some instances where a number of individual projects had been previously identified within a specific area of work, a decision was taken to merge them and move them forward as one project.
 - c. **Paused:** A number of projects have been paused pending the outcome of the Commission on the Defence Forces.

Overall delivery: Of the initial 95 projects set out in the White Paper, 47 are now completed with an additional four in the closing process. A further five projects were to be initiated during 2021, three of which have commenced and a further two due to commence shortly. The commencement of a further 15 projects has been approved for the period 2022 to 2025. The remaining 14 projects have been deferred, pending the recommendations of the Commission on the Defence Forces.

Single v distributed Programme Management Office (PMO): The Department has in place a PMO for the implementation of White Paper projects and another PMO, which is part of the ICT Branch, for delivering ICT projects.¹²

When asked for their views on continuation of the current distributed model vis-a-vis its replacement with a single PMO, most civil and military interviewees indicated that a single PMO, consisting of both civil and military elements where appropriate, would be the preferred option. However there would be a need to ensure that the PMO would be adequately and appropriately resourced, and that only work which lends itself naturally to a programme management methodology would be progressed

¹² PMOs have been established in the past as needs arise such as one which was tasked with implementing the *High Level Implementation Plan (HLIP)* called *Strengthening our Defence Forces*.

through it. Consideration would also need to be given to the fact that there are certain areas of policy and activity which do not require military input and, as such, the model would need to enable the Department to progress such projects separately.

Regarding Enterprise Application projects, there is divided opinion between the civil and military sides as to whether the management of such specialist projects should continue to reside with the ICT Branch, or whether it would be more appropriate to have them managed by a single PMO. It would seem that on balance, especially in terms of long-term efficiency, business application solution and Enterprise Application projects should be remitted to the PMO for management purposes rather than continuing with the current arrangement. However, as with all of its projects, the PMO would operate by means of a business partnering arrangement with the commissioning Branch.

Findings: Implementation of White Paper on Defence

F3.1 Delivery timelines: For much of the lifespan of the White Paper, there has been a mismatch between the ambition for the delivery of projects and the resources, especially specialist skills, available to undertake the necessary work within the timelines set.

F3.2 Identification of projects/actions arising: In some cases, the actions needed to give effect to commitments were not specifically set out in the White Paper and this created challenges for correctly identifying and scoping the work. Further challenges arose in determining whether specific measures were required to achieve progress or if the work should be progressed as part as business-as-usual activity.

F3.3 Programme management approach: The decision to adopt a programme management approach for the implementation of the White Paper projects was a significant and positive step in how the Department structures delivery. A bespoke project management methodology was developed along with a governance structure to support the monitoring of progress. While generally this has worked well, it does not take appropriate account of the diversity of projects in terms of scale, type, complexity and risk.

F3.4 Single or distributed Programme Management Office (PMO): A single PMO, which would replace the current distributed model, is the preferred approach of both civil and military interviewees. There is no compelling case for Enterprise Applications to be managed separately.

3.2 IMPLEMENTATION OF BUILT INFRASTRUCTURE AND EQUIPMENT PROGRAMMES

The Department operates two major capital programmes, *Defence Forces Built Infrastructure Programme, 2020 - 2025* and the *Equipment Development Plan, 2020 – 2024*. These two programmes draw heavily on undertakings in the White Paper and are subject to periodic reviews throughout its lifetime.

3.2.1 Defence Forces Built Infrastructure Programme, 2020 – 2025

This programme, which was published in January 2020, provides for investment of €145 million in the Defence Forces built infrastructure over a multi-annual timeframe. Some of the principal projects included in the programme are as follows:

- **Army:** The refurbishment and upgrade of existing buildings in a number of barracks, and new construction such as an auditorium suite for the Military College and a new headquarters building for the Army Rangers Wing.
- **Naval Service:** Additional berthage and services, and the refurbishment of a variety of existing structures, and
- **Air Corps:** New stores buildings and a new crash rescue building.

The investment programme is a rolling plan which is subject to annual reviews over its lifespan in order to ensure it remains relevant. An effective structure is in place for agreeing and progressing priority projects for the Defence Organisation, and implementation is by way of joint civil/military teams. Overall the programme is regarded as being managed well and implemented effectively, although the Covid-19 pandemic has had some impact on the pace of delivery.

3.2.2 Equipment Development Plan, 2020-2024

The Equipment Development Plan 2020 - 2024 planning process provides for the re-equipment of the Defence Forces and is being funded under Project Ireland 2040. While not a White Paper project in its own right, it provides the overarching framework for, inter alia, many of the capability commitments contained in the White Paper. Amongst the projects contained in the plan are the following major equipment platforms:

- Army: Ongoing mid-life upgrade of the Army's fleet of 80 Mowag Piranha III armoured vehicles.
- Naval Service: Planning is under way for the replacement of the flagship LÉ Eithne with a multi-role vessel.
- Air Corps: Two new Airbus C295 Maritime Patrol Aircraft for the Air Corps will replace the existing CASA 235 Aircraft.

3.2.3 Capability Development Plan

Of particular note is an ongoing White Paper project to develop a Capability Development Plan for the Defence Forces. This project is at an advanced stage and once finalised, it will provide planning direction and guidance for detailed plans and strategies in a range of business areas such as Personnel, Equipment, Organisation and Infrastructure.

3.3 MANAGEMENT OF PROCUREMENT

Defence procurement policy within the Defence Organisation is managed by the Department's Contracts Branch. That Branch has a wide range of functions encompassing the direct management of all defence equipment procurements from concept to delivery of complex bespoke procurement activities for defensive equipment and materials such as weapons systems, naval service vessels, aircraft and land systems including armoured vehicles.

It is also involved in overseeing all stages in the purchase, delivery and introduction into service of all defence equipment as well as the disposal of obsolete equipment. In addition, the Branch is responsible for a range of corporate governance functions such as financial administration and the maintenance of a contracts register and an oversight role in relation to procurement compliance in the Defence Sector. It is also the Defence Sector lead for the purposes of policy implementation of the Defence and Security Directive and is the lead liaison with OGP in implementing the Government Procurement Reform Agenda.

The principal features of the procurement model are as follows:

Procurement Function: Developing the procurement plan and defence policy and guidelines. Soliciting and evaluating bids, coordinating industry engagement; preparing, awarding, administering and closing contracts and managing the delivery into service of defence equipment.

Delegated responsibility: Certain procurements are conducted directly by the Defence Forces as part of a hybrid-decentralised model. The delegation of financial responsibility to the Defence Forces permits them to procure a wide range of non-capital goods and services directly. These include items

associated with day-to-day operations, such as food, clothing, transport, and the maintenance of equipment and premises. Procurement Frameworks operated by the Office of Government Procurement and contract templates prepared by it are used by both the Department and the Defence Forces to acquire goods and services that are common across the public sector. Branches other than the Contracts Branch and individual business units within the Department also engage in procurement activity relevant to their areas of work such as ICT and facilities management.

Approvals and Planning: High Level Planning and Procurement Group (HLPPG): The HLPPG is a joint civil/military group whose role is to develop and implement multi-annual rolling plans for the Defence Forces for equipment procurement and disposal, and infrastructural development (including property acquisition) based on the policy priorities set out in the White Paper on Defence. As noted previously in chapter 2, section 2.5.2, the HLPPG is considered to be a very effective and transparent structure.

Resources and capacity: While there is overall civil/military agreement that the Department is very competent and capable in exercising its procurement functions, there are indications that both capacity and resource constraints exist due to the significant uplift in procurement activity in recent years. In response, the Department is taking steps to address this with the allocation of additional resources to Contracts Branch and is undertaking a business process review.

OGP Frameworks: Goods and services of a general nature required both within the Department and the Defence Forces can be drawn down from OGP Frameworks. Notably though the large complex defence material procurement projects in which the Department is engaged are of a bespoke nature and are carried out by the Department as the Central Purchasing Body under the Defence and Security Directive.

Contract Management System: Much of the work associated with procurement, contract management and the associated governance oversight is conducted manually due to the absence of a computerised contract management system linked to the financial payment system. Particular benefits of such a system would be the standardisation and automation of processes to enable monitoring of procurement compliance, a common work ICT support for stakeholders, considerable reduced risk of transactional errors, and more clearly visible linkages between inputs and financial outturns to enable better contract management and procurement compliance reporting and procurement planning.

Procurement support across business units: While procurement is not a regular function of most of the Department's Branches, it nonetheless does feature as a requirement from time to time. The occasional and atypical requirement to undertake procurement work means that personnel would unlikely have the required experience and knowledge. In such instances, Contracts Branch is called upon at times to support other Branches; however, this has proved challenging at times in light of its existing demanding workload.

Specialist military support: While skilled in procurement and contract management, personnel in Contracts Branch rely on the technical expertise of military colleagues for the provision of specialist expertise. This support has been provided through a variety of means, principally by:

- Multi-disciplinary civil military projects teams with specialist input across a spectrum of areas (this is the case for all defence procurements not just major equipment platforms);
- Embedding a Defence Forces' officer with the relevant specialist expertise in the Branch to work closely with departmental colleagues on certain procurements;
- Having in place liaison officers within the Defence Forces who fulfil a coordination and liaison role for the various services within the Defence Forces.

There is broad recognition that these arrangements are beneficial and work well.

Specialist external assistance: Where required, the Department engages external consultants to assist with large complex projects. A recent example is the appointment of Marine Advisor Consultants to support the procurement of a Multi-Role Vessel, which will replace the Naval Service's flagship, the LÉ Eithne.

Findings: Management of procurement

F3.5 Contract Management System: The absence of a computerised contract management system is creating challenges for the effective management and governance of procurement.

F3.6 Procurement support: There is a gap in the specialist support available to business units that are required to engage in procurement activity on an occasional basis.

3.4 IMPLEMENTATION OF PAY AGREEMENTS

A programme, commonly called the *High Level Implementation Plan* (HLIP), is in place for delivering on the commitments set out in the *Report of the Public Service Pay Commission ("PSPC Report")* on recruitment and retention issues in the Permanent Defence Force. The HLIP was devised following consultations between the Departments of Defence, the Taoiseach and Public Expenditure and Reform, as well as Military Management.¹³

In addition to the HLIP and related structures, a Conciliation and Arbitration Scheme is in place. It provides a formal mechanism for the Defence Forces' Representative Associations to engage with the Official Side.¹⁴

3.4.1 Implementation of PSPC Report

Similar to the approach taken with implementation of the *White Paper on Defence*, the projects set out in the HLIP are undertaken by project teams comprising civil and military personnel. Until recently, this work was facilitated by a joint civil/military Programme Management Office which operated separately from the existing White Paper PMO.

A Strategic Human Resource Group (SHRG), comprised of civil and military management, is responsible for the oversight of the HLIP projects. The SHRG is jointly chaired by the Assistant Secretary leading the Defence Capability (People) Division and the Deputy Chief of Staff and, although a relatively new structure, it plays a particularly useful role in prioritising deliberations on certain strategic HR matters affecting the Defence Forces such as the Working Time Directive.

Perspectives on delivery: There is a strong view among Military Management that some undertakings entered into as part of the HLIP are not being implemented in a timely fashion and others are not being delivered at all. From their perspective, a key contributor relates to the requirement for the Department of Public Expenditure and Reform to either lead or provide input on certain projects, and that it does not deliver as intended. A consequence is that at least some blame is being apportioned by the Defence Forces to the Department of Defence, and that is having a negative effect on bilateral relationships and the perception of senior management's ability to lead for the sector as a whole.

From DPER's viewpoint, there are wider considerations in such situations that extend beyond the defence sector alone, although the unique features of pay and allowances applying to the Defence Forces are fully understood. For example, a recent agreement to increase the service limits of Privates, Corporals and Sergeants who were recruited to the Permanent Defence Force after 1 January 1994

¹³ There is some overlap between the projects arising from the plan and those identified in the *White Paper on Defence*.

¹⁴ The 'Official Side' refers to Department of Defence, Military Management, and Pay and Pensions Division in DPER.

required careful – and of necessity detailed – assessment from the perspective of wider public sector pay policy, especially in those sectors where accelerated pension arrangements exist.

Notably, the *Programme for Government* includes a proposal for the establishment a Permanent Pay Review Body for the Defence Forces, and the Terms of Reference for the Commission on the Defence Forces provides that upon completion of the Commission’s work, the Minister for Defence will consult with the Minister for Public Expenditure and Reform on the establishment of such a body.

3.4.2 Conciliation and Arbitration scheme

The purpose of the Conciliation and Arbitration scheme is to provide a means for the determination of claims and proposals relating to remuneration and conditions of service.

The scheme was reviewed in 2018 and a number of recommendations were actioned at that time. However there continues to be a level of frustration over how the scheme is operated, with significant delays and lack of progress on claims remaining common features. While regular meetings are held, the following concerns were expressed:

- The Department of Defence and the Defence Forces do not always have a shared position on an issue before entering negotiations.
- Departmental representatives at the meeting do not have the autonomy at times to make a decision on a matter which is of a cost increasing nature.
- In all cases where additional costs to the Exchequer are involved, the approval of DPER is required. While the civil and military sides accept this as a necessary part of governance, they are both critical of the pace at which decisions are made.

Notwithstanding the expertise and experience which the staff in the Branch bring to their role, it may aid discussions if the subject matter expert on the issue being dealt with formed part of the official side for that element of the discussion with the representative side.

Findings: Implementation of pay agreements

F3.7 Implementation of PSPC Report: The bilateral relationship between the Department and the Defence Forces runs the risk of being adversely affected by perceived uneven and slow delivery under the High Level Implementation Plan (HLIP) relating to the Report of the Public Service Pay Commission due to factors in many cases outside the control of the Department, which require external engagement with central Government. That is having an unhelpful effect on confidence amongst Defence Forces’ personnel regarding the leadership and influencing capabilities of senior management.

F3.8 Operation of C&A scheme: There are considerable levels of dissatisfaction with the operation of the C&A scheme amongst both departmental officials and military management who believe that the pace of decision-making is undermining trust in the scheme and its effectiveness. In some instances the pace of decision-making can be due to external factors, primarily the need to consult with, and gain sanction from, the Department of Public Expenditure and Reform.

3.5 CUSTOMER SERVICE

Due to the nature of the activities in which the Department engages, it does not provide services to individual external customers in the way that many other Government Departments do. There is no requirement for public offices, contact centres or online services where individuals can avail of the departmental services. However, a Customer Service Unit is in place and it provides an avenue through which individuals can engage directly with the Department. In such instances, the matter is

usually passed to the relevant Branch for follow-up. Other features of the customer service are as follows:

- a) **Customer Charter and Plan:** The Department and the Defence Forces have a shared Customer Service Charter and Customer Service Action Plan which was updated in 2021. Awareness of both documents is relatively poor amongst departmental staff and while many of them are aware that statistics on customer engagement are collated, they are unclear regarding purpose and follow-up.
- b) **Pensions Administration for Defence Forces:** Defence Forces' Veterans engage directly with the Department's Finance Branch in relation to the administration of their pensions. Staff in the Branch area are considered to be very professional and helpful. In recognition of the fact that issues or challenges can sometimes arise, the Representative Associations for serving personnel were consulted and a plan was put in place to deal with any matters of ongoing concern.
- c) **Service Level Agreements:** The Defence Organisation has Service Level Agreements (SLAs) in place with many other government departments and agencies. The SLAs relate primarily to the provision of services by the Defence Forces to an individual department or agency on an 'as available' basis, and are agreed between the Department of Defence, the Defence Forces and the organisation receiving the service.

There is consensus that the current model for engagement on drafting and agreeing the SLAs is satisfactory. There are also a small number of SLAs in place dealing with areas that fall within the remit of the Department rather than the Defence Forces – for example in respect of services provided to the Veterans Associations and support provided by Civil Defence to central and local government agencies. Examples of SLAs in place include the following:

- An Garda Síochána (AGS) relating to services provided by Civil Defence in emergency situations;
- Department of Foreign Affairs regarding a range of services by the Defence Forces to the Emergency Civil Assistance Team (ECAT); and
- Department of Justice regarding the Garda Air Support Unit.

Findings: Customer service

F3.9 Pensions support: The Department provides very good support to Defence Forces' personnel, both serving and retired, in relation to their pensions. It is proactive in addressing concerns raised regarding access to certain information on pension entitlements and is working effectively to close any gaps that may exist.

F3.10: Customer Service Charter and Action Plan: There is very poor awareness amongst staff of the Department's Customer Service Charter and Action Plan.

3.6 RISK MANAGEMENT

In this section, the practices and structures relating to the management of risk are examined.

3.6.1 Risk management model

The Department's risk management model comprises the following principal features:

- a) **Risk management policy:** A risk management policy statement is in place which sets out the policy and guidance by which the Department manages risk. The policy requires updating to reflect recent developments in the risk management model, including the development of a joint

civil/military Strategic Risk Register and the establishment of a network of Risk Officers in the various Branches. The Department is reflecting at present on the approach to take.

- b) **Risk Appetite Statement:** A Risk Appetite Statement, which was finalised in March 2021, articulates the level of risk that the Department is willing to tolerate under five strategic risk categories.
- c) **Strategic Risk Committee:** A joint civil/military Strategic Risk Committee manages strategic risks for the Defence Organisation as a whole. This committee reports directly to the Strategic Management Committee (SMC).
- d) **Strategic Risk Register:** Although having taken quite a while to reach agreement, a joint civil/military Strategic Risk Register is now in operation. The register captures the strategic risks facing both the Department and the Defence Forces, and there is good engagement on its management.
- e) **Department's Risk Management Committee:** The role of this Committee is to provide advice to the Management Board on overseeing and embedding risk management.
- f) **Department's Risk Register:** Risk management is incorporated into the business planning process and each Branch has its own risk register. There is a process in place to ensure appropriate scrutiny of risks and scoring of them.
- g) **Branch Risk Officers:** The Department has recently appointed Risk Officers in all Branches in order to embed risk management across all levels of the business and enhance risk management capabilities. The Risk Officers provide a link from the Department's Risk Management Committee to the individual Branches.
- h) **eRisk application:** eRisk, which is a solution available under the OGCIO Build-to-Share applications programme, is designed to provide one system to capture, track and update risks. This solution has been rolled out in the Department.

3.6.2 Risk management and appetites

This section deals with the effectiveness of the risk management processes in place.

- a) **Departmental risks:** There is a strong consensus that risk management is taken seriously and is becoming increasingly embedded across the Department. Personnel at all grades are involved in the business planning process and the related identification of risks at Branch level. Good processes are in place to ensure that risks are identified and scored appropriately and that both the Strategic Risk Register and the Department's Risk Register are reviewed regularly. One area of concern relates to the need for a centralised risk management function given the fragmented nature of the model due to the number of different committees and registers in place.
- b) **Strategic risk management:** Significant work has taken place to develop an agreed Strategic Risk Register for the Defence Organisation. However the civil and military sides can, at times, have different risk appetites and perspectives. There are perceptions that the Department can be too risk adverse on occasion which may impact on delivery, and that the Defence Forces can be too risk tolerant at times which can give rise to challenges around accountability.
- c) **Legal risk:** The mitigation of legal risk is well understood across most grades in the Department. However a broadening and deepening of knowledge in relation to the relevant Defence Forces Regulations (DFRs) was identified as an area requiring attention. More generally though, departmental officials work diligently in ensuring that decisions are made on a sound legal basis, particularly by reference to the provisions of the *Defence Acts*.

- d) **Management of litigation:** The Department's Litigation Branch manages cases taken against the Minister for Defence, including Personal Injuries Claims, Judicial Reviews, Plenary Summonses and Civil Bills. The Department works closely with both the State Claims Agency (SCA) and the Chief State Solicitors' Office on these matters. The relationship with the SCA is governed by a Memorandum of Understanding and a Service Protocol. Bilateral engagement and collaboration is very open, constructive and positive.

One area of challenge in progressing claims is the timely provision of the required documentation to the SCA. This issue arises due to administrative and resourcing issues within the Defence Forces who largely hold the required documentation. While there are clear working procedures in place and good working relationships between the Department's Litigation Branch and the relevant section of the Defence Forces' Legal Services Branch, the pressure from the volume of cases and the short timelines for responses to SCA requests is such that the current resourcing and administrative arrangements are considered to be insufficient. That represents a risk to the effective management of cases. The problem is compounded on the Defence Forces' side by high staff turnover and a cumbersome case management structure which is reliant on all requests being channelled by a single point of contact out to the relevant areas within the Defence Forces for response, with responses issued back up the line through a single point of contact.

- e) **Working Time Directive:** While some interviewees from the Defence Forces were critical of the delay in transposing the Working Time Directive, the Department for its part pointed to the need to agree a final collective position, which reflects the restrictive interpretation by the Courts of the provisions in the Directive relating to exemptions. The outcome of a European Court of Justice Judgement¹⁵ delivered on 15 July 2021 on military service, has informed the ongoing deliberations which are well advanced and once concluded, will be presented to the Department of Enterprise, Trade and Employment which has lead responsibility for the transposition of the Directive. At the time of writing this Report, the ongoing dialogue between the Department and the Defence Forces was nearing conclusion.
- f) **ICT risk:** The Department is proactive in the management of ICT-related risks. The Management Board is actively involved, and the Department engages with the Office of the Chief Information Officer on such risks where appropriate and also collaborates with the Defence Forces' Communications and Information Services Branch in relation to cross-cutting risks such as cyber-security – *also see chapter 4, section 4.7.5 in relation to ICT governance.*
- g) **Reports from the Ombudsman for the Defence Forces:** There had been a backlog of cases from the Office of the Ombudsman for the Defence Forces due to be processed in the Department. However, on foot of good bilateral engagement, a series of measures were undertaken to enhance the administrative process and, as a result, the backlog is now nearly cleared.

Findings: Risk management

F3.11 Risk management model: The Department's risk management model has many features of good practice and is integrated well into business planning. Significant improvements have been made, including the establishment of the Branch Risk Officer role and the roll-out of the *eRisk* build-to-share solution. Further work is required to ensure that the various strands of risk management are amalgamated.

¹⁵ The European Court of Justice Judgement in case C-742/19 provides guidance on the instances in which the Directive concerning certain aspects of the organisation of working time does not apply to activities carried out by military personnel.

F3.12 Risk management policy: The risk management policy requires updating to fully reflect the risk management model now in place. The Department is aware of this need, which is currently being considered by the Risk Committee.

F3.13 Risk and litigation: The volume of litigation cases and the associated workload in collating case documents present a challenge. Related areas of concern include the level of resources available within the Defence Forces' Legal Services Branch and the administrative arrangements upon which they have to rely.

F3.14 Risk and DFRs: The Department would benefit from providing staff with training on Defence Forces Regulations in order to broaden and deepen the understanding of same.

3.7 GOVERNANCE

Good governance is central to effective oversight and accountability, and the Department's governance model comprises a number of features as follows:

- a) **Corporate Governance Framework:** The Department has a Corporate Governance Framework in place since 2016 and it was recently updated. It represents a comprehensive and high-standard enunciation of the Department's approach and policy towards governance. The Framework covers a wide range of functions such as ministerial and senior management roles, assignments of responsibilities, Management Board and other governance structures, and audit and assurance arrangements. It also sets out the core values, behaviours and culture which the Department aims to foster in order to successfully deliver on its high level goal¹⁶ and ensure the achievement of priority outcomes.
- b) **Role of Accounting Officer:** The Secretary General is both the Administrative Head of the Department and the Accounting Officer for the Defence Votes¹⁷ as well as having overall management responsibility for the quality of policy advice submitted to the Minister. In common with all Government Departments, the *Ministers and Secretaries Act, 1924* as amended and the *Public Service Management Act, 1997* outline the statutory responsibilities of the Secretary General.
- c) **Delegated budgets:** In general terms, governance structures in areas such as procurement are very good and a collegiate approach is in place with the Defence Forces. However governance of delegated budgets was raised as an issue requiring further consideration and attention.

The delegation of budgets to the Defence Forces is aimed at improving administrative efficiency. The Secretary General, as Accounting Officer, delegates financial control and responsibility for certain subhead expenditure to the Chief of Staff by way of delegation instruments; this amounted to €173.38m in 2022. However ultimate responsibility and accountability still rests with the Secretary General as the Accounting Officer. In the Department's Appropriation Account for 2020, a disclosure was made in relation to 23 contracts (totalling €818,471 ex VAT) regarding non-compliance with national procurement rules in respect of contracts operated in 2020. Against that background, the Department is challenged to exercise appropriate governance and oversight while at the same time ensuring that it is reasonable and proportionate.

- d) **Micro-management:** There is strong consensus that the Department exercises its governance responsibilities very well in many areas. However a recurring theme throughout the interviews

¹⁶ The High Level Goal is "to provide for the military defence of the State, contribute to national and international peace and security and fulfil all other roles assigned by government"

¹⁷ The Department of Defence has two Votes, Vote 35 (Army Pensions) and Vote 36 (Defence)

with Military Management is a sense of being micro-managed by the Department in areas where the need for its involvement is not immediately apparent. One example is the requirement for departmental approval for members of the Permanent Defence Force to travel outside the state to attend training courses. While understandably such a requirement resonates of micro-management, the practice has a basis in law¹⁸ and requires the Minister to give his personal approval in each case for the dispatch of Defence Force contingents and members overseas.

Finding: Governance

F3.15 Strengthened arrangement: The Secretary General is the Accounting Officer for all Defence expenditure and as such there is a role for appropriate oversight and governance structures. There is a requirement to strengthen this oversight in certain areas such as in the case of procurement within subheads which are delegated to the Defence Forces. There is also a need to reform some of the business-as-usual oversight practices currently in place.

3.8 INNOVATION AND CONTINUOUS IMPROVEMENT

Innovation and a commitment to continuous improvement are indicators of a flexible and adaptable organisation. Briefly, the review revealed the following points of note:

- a) **Innovation and continuous improvement:** A number of the stakeholders expressed views that while the Department is conservative, this is understandable and indeed appropriate given the nature of the work in which it is engaged and that this natural conservatism, which is in-built into staff, should be retained. However, that disposition needs to be balanced with a stronger openness to change and in particular that the Department needs to keep pace with fast-moving change, including elsewhere in the Civil Service. In that respect, there are a number of strong indicators that the Department is now embracing change and innovation more enthusiastically than at times in the past.
- b) **Programme management approach:** The Department has adopted a programme management approach to the implementation of the *White Paper on Defence 2015* and was chosen as the Department to lead on the implementation of Action 10 of *Our Public Service 2020* on embedding programme and project management across the public service. The Secretary General and Chief of Staff are the sponsors for this Action. Notably, the Department and the Defence Forces were the recipients of an award in the “Excellence in People, Skills and Organisational Development” category in the 2021 Civil Service Excellence and Innovation Awards on foot of their work in this area.
- c) **Developments in ICT:** Significant progress is being made in moving the Department onto the build-to-share applications provided by the Office of the Government Chief Information Officer. In-house ICT projects are also being pursued both to modernise existing IT systems and to develop new, bespoke solutions to support some of the highly specialist work of the Department. Over the course of evidence gathering, staff spoke very favourable of instances whereby processes which were once paper-based are either now digitised or in the process of being so – *further details in chapter 4, section 4.7.4.*
- d) **Defence Enterprise Projects:** There is an ongoing requirement to examine new and innovative means of improving capabilities in the security and the defence domain so that the Defence Forces are in a position to undertake the roles assigned by Government. In addressing this need, arrangements have been in place since 2011 whereby Enterprise Ireland supports defence capability development. The Defence Organisation (Department and Defence Forces) meet with

¹⁸ Section 3 of the *Defence (Amendment) Act, 2006* and the provisions of Government decision S20566M of 19/09/2006

Enterprise Ireland through the Defence Enterprise Committee to review progress on collaborative projects.

These arrangements facilitate Enterprise Ireland in raising awareness amongst, and engaging with, the relevant Irish-based enterprise and research institutes, including third level colleges. In turn, the Defence Forces provide information and knowledge on the use and application of innovative civilian technologies in the military sphere. The Defence Organisation is involved in a number of collaborations alongside Irish enterprise, research and academia, which includes participation in Horizon 2020 funded projects.

Following a feasibility study in 2020, a decision was taken to establish a joint civil/military Research, Technology and Innovation (RTI) unit within the Defence Organisation to ensure that the Department and the Defence Forces have access to research, technology and innovation in order to develop capabilities.

The establishment of this unit is being undertaken on a phased basis. Phase one, which commenced in January 2021, focused primarily on the Defence Organisation's partnership with Science Foundation Ireland (SFI). The partnership created the SFI/Defence Organisation Innovation Challenge with the overarching ambition to develop new technologies aligned with the National Defence Policy. In early 2022 the RTI unit will move into phase two, whereby the focus will be on introducing applied research and development for embedding a culture of innovation within the Defence Organisation, as well as accessing international funding activities which will deliver long term strategic benefits.

Finding: Innovation and continuous improvement

F3.16 Opportunity for change: There is evidence that the Department is becoming increasingly open to change and receptive to innovation. Notably, many interviewees both within the Department and the Defence Forces expressed the hope that the combination of a new Secretary General and Chief of Staff, along with the report of the Commission on the Defence Forces and this capability review report, provide an opportunity for change, including in mapping a new way forward for the Department.

RECOMMENDATIONS ON DELIVERY

3A CRITICAL RECOMMENDATIONS

R3.1 Single Programme Management Office: Rather than having in place separate Programme Management Offices for the delivery of new work programmes, the Department should operate by means of a single PMO to provide oversight and support to all projects, including Enterprise Applications. This should be supported by appropriately skilled and experienced personnel who can work with project teams to implement the end-to-end project management methodology in a manner which is most appropriate to the nature of the project being pursued.

R3.2 Procurement Advisory Service: A specialist Procurement Advisory Service (single professional point of contact might suffice) should be created to support those Branches that engage in procurement activity on an intermittent and occasional basis. The Service would operate separately from the Contracts Branch which would continue with its current core role in equipment-related procurements given their highly bespoke and specialist nature.

Specifically, the role of the Procurement Advisory Service would be:

- a. **Civil/military:** Provide advisory support across the Defence Organisation as a whole in relation to civil and military contracts, and
- b. **Oversight:** Exercise an oversight role, especially in terms of centralised guidance, best practice models, and management reporting except for those specialist contracts undertaken by Contracts Branch.

3B IMPORTANT RECOMMENDATIONS

R3.3 Autonomy for project leads: The Management Board should take steps to ensure that the governance and project management arrangements for the delivery of projects would rest in all cases with the identified project leads, involving a clear escalation mechanism when challenges arise.

R3.4 Resourcing: A role for the newly reconstituted Programme Management Office would involve the development of resourcing plans for individual programmes and projects. In that respect, appropriate consideration should be given as to resource requirements for projects at project initiation stage to ensure that the personnel assigned to the team have the scope to progress the project alongside their existing work.

R3.5 Identification of projects: In any further updates of and successor to the *White Paper on Defence*, the key actions should be clearly identified and described in order to enable efficient and effective implementation. In that respect there is a particular need to differentiate between capital, policy and business-as-usual projects.

R3.6 Contract Management System: The Department should put in place a Contract Management System which would link into the financial payments system and the development of which would be informed by a business process review to assist with identifying the requirements. Such a system would strengthen the accountability, transparency and efficiency of the defence procurement process.

R3.7 Review the Procurement Advisory Service: The effectiveness of the Service should be reviewed after two years and any changes considered necessary should be made.

R3.8 Proposed Pay Review Body for the Defence Forces: Senior management from the Department of Defence and the Department of Public Expenditure and Reform should consider and decide upon the most appropriate arrangements for follow-up to recommendations from the

proposed Permanent Pay Review Body for the Defence Forces if and when such a Body is established, especially in the context of national public sector pay agreements.

R3.9 Structural change to C&A scheme: In accordance with the recommendations of the Review of the C&A Scheme in 2018, a review of the revised Scheme is scheduled to take place after a three year period in order to afford the parties an opportunity to assess the scheme's performance. As the revised scheme came into effect in January 2020, this review should take place in 2023.

R3.10 Pensions support: The Department should ensure that the Action Plan which is put in place to enhance the availability of pension's information is implemented in a timely manner.

R3.11 Raising staff awareness: The Department should take steps to improve awareness amongst staff of the undertakings set out in the Customer Service Charter and Action Plan.

R3.12 Centralised Risk Management Unit: Now that a comprehensive risk management framework is in place, attention should be focused on maturing the management and mitigation of risks. To that end, the Department should proceed with its plans to establish a centralised Risk Management Unit as part of a broader corporate services function, which would assume overall responsibility for the day-to-day management of all risk management related activities.

R3.13 Streamlining the litigation process: The Department and the Defence Forces should jointly assess and agree on how litigation claims might be processed more efficiently.

R3.14 Reform of outdated practices: Any review of the *Defence Acts* should involve the identification, assessment and remediation of those practices relating to the governance of the Defence Forces which are unduly and unhelpfully focused on routine business as usual activity.

4. BUSINESS SUPPORT FUNCTIONS

The fourth and final module of the methodology template for the capability review programme relates to BUSINESS SUPPORT FUNCTIONS and is divided into ten complementary categories.

4.1 IDENTITY, CULTURE AND VALUES

4.1.1 MISSION, VALUES AND CULTURE

As set out previously in chapter 2, section 2.3.1, the Department and the Defence Forces operate to a joint high-level goal which is set out in the *Joint Statement of Strategy, 2021-2023*.

The behaviours, values and culture required to deliver on this shared high-level goal are set out in the *Corporate Governance Framework* which states that the Department aims to foster and sustain a culture and related values that exemplify ethical behaviour and effective governance. The values fostered by the Department are reflected in the *Civil Service Renewal Plan*:

- a deep-rooted public service ethos of independence, integrity, impartiality, equality, fairness and respect
- a culture of accountability, efficiency and value for money, and
- the highest standards of professionalism, leadership and rigour.

This ethos is aligned with the standards reflected in the *Civil Service Code of Standards and Behaviour* and promotes a culture of accountability, efficiency and value for money. The Department is also committed to openness and transparency in all aspects of its work. This ranges from how policy is developed to engagement with both internal and external stakeholders.

4.1.2 MORALE

The evidence suggests that morale in the Department is generally good across its three locations, Newbridge, Galway and Roscrea:

- Newbridge:** In the Newbridge Office staff morale is generally good; staff are collegiate and work well together. However, adverse media coverage, the impacts of Covid and the relationship with the Defence Forces have had some negative impacts on morale.
- Galway:** The views of Galway based staff on the issue of morale were somewhat mixed. Some spoke of the benefits of it being a small office where everyone knows each other well, both within the Department and across the other government departments in the building, thus lending itself to a good working environment. However others felt that it has been impacted somewhat by the uncertainty around the future role of staff as a result of the intended move of a small number of staff to the FMSSC and the consequent reassignment of some staff to the National Shared Services Office. In addition, opportunities for both mobility and promotion to senior management grades are somewhat limited in Galway and this can impact on morale. Furthermore low visibility of senior management was also cited by staff as an issue that is impacting on morale.
- Roscrea:** The evidence indicates that there may be issues around morale in the Roscrea Office. The size of the office and its single purpose remit affords little opportunity for work mobility and career advancement. Furthermore, a sense of isolation has been exacerbated since the onset of Covid-19.

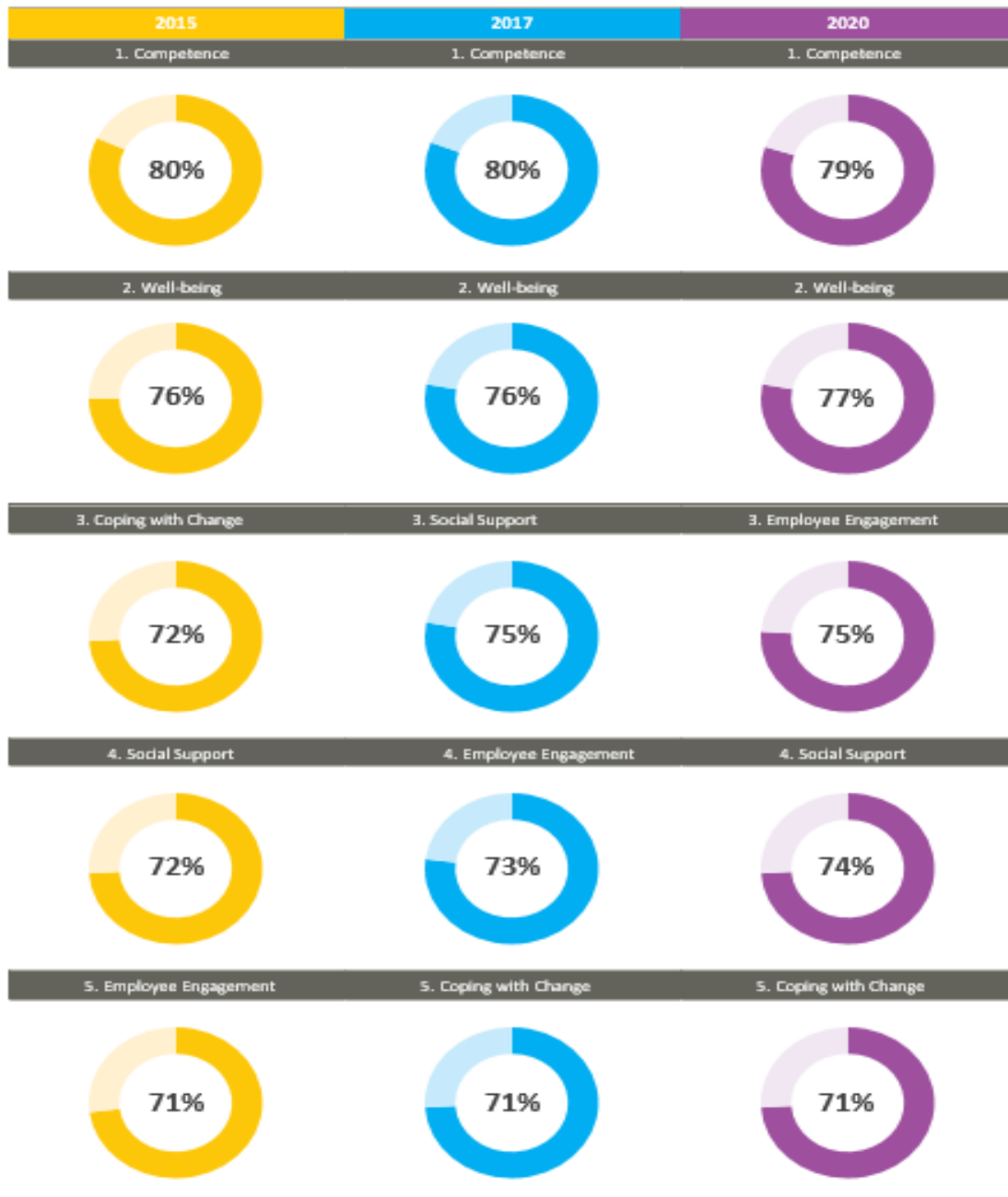
The move to the OGCIO's 'build-to-share' suite of platforms has helped staff morale as the availability of platforms such as WebEx and Skype allow staff to collaborate more effectively. There is a belief

amongst staff that the use of such platforms potentially enables new work to be assigned to improve work variety.

Overall, staff in the Department are considered as flexible, collegiate, agile and with a good work ethic. There is a strong culture of staff supporting one another, not only on a day-to-day basis but particularly in times of crisis.

4.1.3 CIVIL SERVICE EMPLOYEE ENGAGEMENT SURVEY 2020

Positive Results – Top 5



The ranking of the 2020 Most Positive themes may differ from some of the 2017 and 2015 themes. As such, the 2015, 2017 and 2020 Most Positive themes are not directly comparable.

Source: Civil Service Employee Engagement Survey, 2020

The results of the *Civil Service Employee Engagement Survey 2020* show static or improved scores for the Department in most metrics in 2020 compared with the 2015 and 2017 results, which are in line with the overall civil service results. The Department scored particularly well in the areas of Competence (79%), Well-being (77%), Employee Engagement (75%), Social Support (74%) and Coping with Change (71%).

Across the board, themes with the lowest scores in the 2015 and 2017 surveys have experienced an improvement. Areas where scores were challenging included Public Perception of the Civil Service (41%), Involvement Climate (43%), Innovative Climate (49%), Performance Standards (53%) and Job Demands (55%).

Of note is the result for the Department of Defence that shows a marked increase in the result for level of commitment to the organisation with an increase from 49% in 2015 to 61% in 2020, which is higher than the overall Civil Service result for 2020 of 58%.

Findings: Mission, Values and Culture

F4.1 Morale: While morale is generally quite good across the Department's locations there are some particular matters which require attention, these relate primarily to the Department's regional offices in Galway and Roscrea and are not uncommon in provincial offices as evidenced in previous OCR reports. These are addressed through the recommendations contained within this chapter.

F4.2 Civil Service Employee Engagement Survey 2020: Overall results show static or improved scores in most metrics for 2020 over the 2015 and 2017 results. There is a marked increase since 2015 in the results relating to level of staff commitment to the organisation.

4.2 HR FUNCTION

This section covers the operations of the HR Branch and the need for a HR Business Partnering model.

4.2.1 QUALITY OF SERVICE

The HR Branch is regarded as supportive, helpful and responsive although in the view of some, improvements could be made in accessibility. It is not always obvious from the internal organisation chart whom to contact for specific queries and this can be particularly difficult for new staff, although a generic HR mailbox is in place. Additionally, there is confusion on occasion regarding those HR responsibilities falling within the remit of the HR Unit and those resting with the shared services centre, PeoplePoint.

The Branch is particularly stretched as a result of it having responsibility for time-consuming corporate functions such as Freedom of Information (FOI) and certain protected disclosures, as well as other functions such as L&D and the approximately 450 civilian staff working in the Defence Forces. Covid-19 has put additional pressure on the HR function.

The significant finding is that the HR function has yet to effectively transition away from the traditional operational model to a strategic function. This is highlighted through the absence of a HR business partnering model, poor awareness amongst staff of the current HR strategy perhaps due in part to high staff turnover across the Department, the largely operational nature of much of the Branch's day-to-day activities, the absence of a transparent and structured internal mobility policy, and little obvious evidence of a strategic approach to workforce planning. These issues are dealt with in more detail in the sections following.

4.2.2 PROFESSIONAL CAPABILITY

The HR Branch already has a number of experienced staff. As a means of further professionalising the function, the Department ensures that HR staff are adequately trained and actively encourage formal upskilling. In recent years, most of the team have undertaken CPD and courses in employment law.

Regarding skills gaps, the Branch would benefit from more IR experience and expertise. Dealing with the IR issues of the civilian staff, mainly trades and craft, through a specific Joint Industrial Council absorbs a significant amount of the Branch's time and resources, and it would help considerably if the Branch had staff with specialist IR expertise.

4.2.3 BUSINESS PARTNERING

A best-practice HR Business Partnering model, designed to provide the critical link between a HR Branch and Business Units is not in place in the Department, with managers and staff dealing directly with the HR Branch. The development of such a model needs to be progressed as a priority. The Department could be guided in this by the expertise available through the Strategic HR Division within DPER.

Despite the absence of such a Business Partnering model, Branches spoke favourable of the HR Branch in accommodating the skill needs of individual business units. For example, it has a well-developed understanding both locally and centrally of ICT skills needs and of the steps necessary to assist the IT Branch as needed.

Findings: HR Function

F4.3 Operational model: The Department has not made the transition from the traditional operational model of HR to the strategically-focused approach now commonplace across the Civil Service.

F4.4 Capacity: The HR Branch is facing challenges in performing its core work arising from its responsibility for a range of corporate functions such as Freedom of Information requests.

F4.5 Accessibility: There is scope for further clarity in terms of staff being able to identify readily the most appropriate points of contact in the HR Unit for dealing with specific issues.

F4.6 Professionalisation: The HR Branch would benefit from further professionalisation and expertise in industrial relations.

F4.7 Business partnering: A best practice HR Business Partnering model is not yet in place.

4.3 STRATEGIC HR PLANNING

A HR People Strategy, '*Ag Obair le Chéile*,' was published in April 2019 and reflects the three core objectives of the People Strategy for the Civil Service: being an employer of choice; building the workforce of the future; and build, support and value managers as people developers. The Strategy sets out a number of actions which underpin each of these three core objectives. It will be subject to review and redevelopment in 2022, as the impacts of Covid and the emerging blended working framework will need to be considered.

The principal evidence relating to the strategy is as follows:

- a) **Development:** The development of the HR Strategy, which involved input by the Board, was informed by consultations with staff associations, the Partnership Committee, Departmental Council, a survey of staff and focus groups as part of the change management programme, *Adaption to a Changing Environment (ACE)*.

- b) **Staff awareness:** There is practically no awareness among staff of the HR Strategy or knowledge of its contents, and it is not regarded as an active document.
- c) **Strategic deliberations:** The Management Board engages twice yearly on the HR Strategy as part of the business planning process. Despite the attention given to such strategic deliberations, the Board, nonetheless, is excessively engaged in micro HR matters. On the delivery side, there are no formal structures in place to oversee implementation of the Strategy although the HR Branch has become more focused in reporting to the Board through the use of a dashboard which provides an overview of HR trends on such matters as new staff entrants and compliance with the Performance Management Development System (PMDS).

Findings: Strategic HR planning

F4.8 HR strategy: Although a HR strategy is in place, there is little or no awareness amongst staff of it and there are no formal implementation mechanisms in place.

F4.9 Board’s deliberations on HR issues: Members of the Management Board devote a disproportionate amount of time to micro HR issues vis-à-vis strategic HR issues.

4.4 STRATEGIC WORKFORCE PLANNING

This section is focused on the Department’s capability in strategic workforce planning and the extent to which it is applied as a business planning tool.

4.4.1 POLICY

As outlined in the previous section 4.3, the Department has an HR Strategy which includes an objective in relation to strategic workforce planning which is to plan and ensure that *“the right people are in the right place doing the right job while working within the constraints of a budget.”* While a formal plan is not in place, strategic workforce planning is discussed occasionally at Management Board level. Most recently, a *Workforce Planning Report* covering the period 2021 to 2023 was discussed at the Board’s meeting in December 2021. The report was prepared using data as at end-2020 along with data on 2021 staff changes, and flagged the challenges and demands expected out to 2023.

4.4.2 IMPLEMENTATION

Senior management are of the view that the Department is generally agile at redeploying resources to new priorities, and that is helped significantly by the good working relationships which the Head of the HR Branch has cultivated with the Heads of the various Branches. Resourcing priorities are usually driven by departmental priorities such as the requirement to establish a unit to deal with a new policy or programme.

A business case is required where additional or new resources are being sought. Rather than a collective decision being made by the Management Board, a decision is usually made between the Secretary General, the Assistant Secretary of the relevant Branch and the HR Manager. As part of the annual business planning process, Heads of Branches are consulted on likely needs.

However, members of the Management Board and POs sometimes involve themselves in individual staff internal transfers and, at times, seek to veto proposed staff reassignments. This is not an ideal scenario and makes the task of the HR Manager in implementing a mobility policy very challenging. The well-established norm across Departments is that, subject to normal consultations, the HR Manager exercises discretion up to and including HEO/AO level to decide on internal reassignments. Beyond that, any proposed staff moves should be submitted to the Management Board for discussion and sign-off.

There is also a need for the Board to become more regularly and actively involved in strategic HR issues including workforce planning, as against day-to-day operational matters. The Board therefore has a significant role to play in helping to drive the transition of the HR function to a more strategically-focussed unit.

4.4.3 SKILLS

Skills matching: Matching skills and experience with jobs is described as ‘ad hoc’ and requiring improvement. The perception is that staff are often assigned to a new role with little or no skills matching taking place. There are also instances where the specialist skills of staff are not used, even though they may be relevant to some areas of the Department’s business. However, in some other cases, requests to be moved to specific roles to match qualifications have been accommodated, albeit slowly on occasion.

Skills register: While a skills register is in place, it is voluntary for established staff. Its evidence base is a combination of a staff survey and a requirement on new entrants to provide details of skills and expertise. While staff are conscious of skills surveys being undertaken, there is little awareness of any follow up. The perception is that staff moves are decided by the Management Board with little effort made to match skills and experience with jobs. Notably the HR strategy provides that the Department should carry out a skills needs assessment to assist with workforce planning and mobility decisions. Regarding specialist skills, there is a strong belief that some Branches would benefit from additional expertise such as in the area of business analytics.

4.4.4 CHALLENGES

The following challenges in terms of strategic workforce planning were raised by staff:

- Due to the Department’s small size and its dispersal across three locations, workforce planning is made more difficult than it might otherwise be
- Managing the new blended working arrangements post-Covid will be a big strategic HR challenge for the HR Branch, and
- Due to the bespoke nature of some of the work and the limited availability of some skills, it is often a challenge for the HR Branch to assign resources in accordance with need.

Additionally, the following issues should be noted:

- The introduction of blended working arrangements across the civil service may impact on staff applying for Newbridge posts as historically that location was a unique selling point in attracting and retaining staff. Such working arrangements may also make it more attractive for existing staff to move to other Departments
- The long lead-in time for the assignment of staff from competitions run by the Public Appointments Service (PAS) is a concern, and

Findings: Strategic workforce planning

F4.10 Workforce planning: The Department does not have a formal Strategic Workforce Plan in place although the Management Board and HR Branch are engaged in elements of the process. The dispersal of the Department across three decentralised locations, as well as the bespoke nature of some of the work, present challenges for workforce planning generally.

F4.11 Role of Management Board: The Board is not sufficiently engaged on strategic HR issues.

F4.12 Internal reassignments: Senior officials sometimes become unnecessarily involved in staff transfers, thereby making the implementation of mobility policies challenging to deliver.

F4.13 Skills: Matching expertise and skills to job roles is not standard practice and, as a result, the Department is not using all staff resources to maximum effect.

4.5 PEOPLE MANAGEMENT

This section is focused in the area of performance management, grade drift and staff mobility.

4.5.1 PERFORMANCE MANAGEMENT

While the Management Board is provided with regular PMDS compliance updates they do not consider the quality of engagement between staff and managers for which there is no system in place.

More generally, there are mixed views amongst staff regarding the quality of performance management, particularly the depth of engagement by some managers. While some spoke of more engaging experiences with their line managers, others felt that it is just a 'tick the box' exercise. The occurrence of face-to-face meetings varies and there is evidence of some lack of awareness on the requirement to have such meetings in the first place. There are also diverse views on the extent to which underperformance is managed well, even though staff management training is readily available. Additionally some managers drew attention to challenges presented in managing staff while working remotely.

As with other facets of leadership and staff management, it is imperative that the Management Board and PO cohort are seen to lead by example. Therefore setting visible and clearly-defined priorities around this important aspect of managers' and staffs' responsibilities would be a very positive development in raising the significance and profile of performance management within the Department.

4.5.2 GRADE DRIFT

Upward grade drift occurs when work relevant to one grade is either pushed or pulled up to a more senior grade. Upward grade drift of decision-making is occurring across all management grades, particularly at PO level. As already noted in chapter 1, section 1.1, POs lack appropriate autonomy to make decisions and the Management Board generally and Assistant Secretaries specifically are making decisions that are more appropriate to the PO grade. The reason for upward grade drift can be attributed to a number of factors:

- culture
- personality
- the small size of the Department
- sensitivity of issues, and
- on the military side, officers often want to deal with grade equivalents in the Department, which can result in work being pushed upwards to senior levels at times.

4.5.3 STAFF MOBILITY

An internal staff mobility policy is in place and is currently being revised in accordance with Action 15 of the *Civil Service Renewal Plan*.

Senior management believe that the mobility policy works very well and there is significant staff mobility in the Department. In contrast, staff are of the view that mobility is not consistently or transparently applied, and that when mobility does occur, it is often by default as a result of promotion or on foot of a request from a staff member. Specific occasional difficulties arising from senior management intervention in proposed transfers has already been highlighted in section 4.4.2.

The decentralisation of the Department in three locations has created situations whereby some staff are fixed to just one type of work such as civil defence work in Roscrea and finance and pensions in Galway. Often staff are left in the same role and section for an excessively long time, which is a reflection in some cases of specialist knowledge and competency.

Notably, the HR Strategy '*Ag Obair le Chéile*' states that '*in making assignments, the primary consideration is to meet the business needs of the Department while also taking account of employees' development needs*'.

Findings: People management

F4.14 Performance management: There are mixed views among staff as to the effectiveness of the PMDS process, especially in terms of the quality of face-to-face meetings between managers and staff. In some instances, there is even a lack of awareness regarding the need to have such meetings in the first place. Effective performance management necessitates continued visible leadership from the top.

F4.15 Grade drift: Upward grade drift is common across management grades and is particularly evident from PO to Assistant Secretary.

F4.16 Mobility: While the Department has a staff mobility policy, it is not applied consistently or transparently and is in need of update.

4.6 PEOPLE DEVELOPMENT

The principal evidence relating to People Development is as follows:

- a) **Policy:** The Department does not have a Learning and Development strategy in place but is in the process of developing one which is provided for in the HR Strategy.
- b) **Learning and Development (L&D):** The L&D Unit is very highly regarded. It is responsive and supportive in providing both generic courses and accommodating bespoke training needs.

The Department supports an active L&D programme. It participates on the Civil Service's *One Learning* shared platform and in the *Refund of Fees* scheme. There are opportunities available for managers to enhance their leadership and people management skills, primarily through the Department's participation in the Leadership Academy run by DPER and the Roffey Park Institute's leadership training courses.

Individual training needs are identified in the first instance through the PMDS process and training requirements are linked to business needs. Managers are very supportive of training requests from staff at all levels. An active "*Lunch & Learn*" programme is also in place.

- c) **Induction and mentoring:** A good induction programme for new entrants is in operation which has been impacted somewhat by Covid. At times, there is quite a lead-in time for induction training as the L&D Unit wait until they have sufficient numbers to run a course. Such training has a joint civil/military component to it involving, for example, newly recruited civil servants visiting an army installation and cadets being given a tour and briefing of the Dáil. In this way, the civil and military sides are exposed to one another's domains which, obviously, is a positive practice.

A mentoring programme is also in place but is voluntary in nature. While a well-regarded programme overseen by POs in respect of APs is in place, mentoring in other instances is regarded as underdeveloped.

- d) **Civil/military training:** Some senior representatives from military management believe that there is potential for engagement by departmental staff in some of the courses provided to Defence

Forces' personnel. Similar suggestions were also made regarding specialist training to be provided to military personnel on parliamentary, government and civil service business and procedures – see chapter 2, recommendation R2.9.

Findings: Learning and Development

F4.17 Policy: While the Department does not have a Learning & Development Strategy, it has a very good track record in supporting staff development. Training requirements are linked with business needs, managers are very supportive of staff training requests, and the L&D Unit is very highly regarded.

F4.18 Induction: The Department's induction programme, which includes a joint civil-military component, is well-regarded.

4.7 CAPABILITY IN ICT

In this section, the Department's ICT state is examined, with a particular emphasis given to capacity, customer service, new development, governance and strategic planning.

4.7.1 SKILLS

The ICT Branch has 16 staff in Newbridge and five in Renmore Galway, and is led by a PO and two APs.

After decentralisation of the Department's HQ to Newbridge in 2010, the Branch focussed on network operations, supporting the Enterprise Application architecture, ICT security and support of existing legacy applications. There was no new development or delivery of business applications and solutions at this time. In response, a number of initiatives have been undertaken since then:

- a) **Review of demand and restructure of functions:** After the successful move to the OGCIO Build-to-Share Managed Desktop in late 2020, the ICT Branch was restructured in early 2021. The restructuring exercise was organised by reference to four pillars: corporate governance, customer service and operations, contract management, and business solutions delivery. The exercise involved the assignment of a further three ICT Branch staff to the Business Solutions Delivery team which, along with the recruitment of the Business Analyst, who was recruited on contract in 2019, has been especially positive.
- b) **Augmenting and developing the skills base:** Incrementally over the past few years, the skills base of the Branch has continually improved, especially with regard to business analysis and engagement with the business side. Although the ICT Branch staff assigned to this Business Solutions Team do not have extensive experience on modern Business Solutions Delivery, they have been learning directly from the experienced Business Analyst, and knowledge transfer has been a key success factor in upskilling the team.

It is intended to augment the team in 2022 with a further Business Analyst and for formal training and certification options to be pursued by members of the team where appropriate. Training and certification across all technologies that the Branch supports and also in relation to procurement and project management has increased throughout 2021.

- c) **Programme for digital delivery:** To address the pent up demand for business solutions, the ICT Branch is pursuing a formal Programme of Digital Transformation in 2022. That will build on the work already completed, and provide a future roadmap for Business Solutions Delivery across the Department over the coming years.

4.7.2 SERVICE MODEL

A number of core ICT services are now under the umbrella of the OGCIO. As the Department moves to avail of public cloud technologies, the interoperability of these technologies with the OGCIO

presents new security management overheads. In relation to the move to OGCIO there are two matters of particular note:

- a) **OGCIO and desktop services:** Senior management believe that the ICT Branch has performed very well in refocusing its business model towards applications development and support arising from the transition of desktop services to the OGCIO.

At present the OGCIO is delivering build-to-share solutions for the Department for processing parliamentary questions (*ePQs*), submissions to the Minister and senior management (*eSubmissions*), and risk management (*eRisk*), along with an electronic records and document management system, *eDocs*. The OGCIO is very complimentary of the highly professional manner in which the ICT Branch has managed and collaborated on the delivery of these transformational projects.

- b) **Service support:** Management and staff are of the opinion that the service provided by both the ICT Branch and the OGCIO is very good. Advance notices were given of transitions to OGCIO-led applications and support, regular updates were provided and the changeovers went very smoothly. The new BTS applications are user-friendly, the training has been strong and, generally, the quality and reliability of the enabling infrastructure have improved greatly in recent years.

Regarding support for remote working arising from the Covid-19 pandemic, the Department prioritised the provision of devices and access by reference to business needs and seniority or a combination of both. Although this approach, supply chain problems and connectivity issues resulted in some staff having to work via mobile phones during the early months of the pandemic, the ICT Branch nonetheless is highly regarded for the manner in which it responded over a short period to the considerable demands placed upon it. Today, all staff have access to modern tools such as desktop video conferencing to support remote working.

4.7.3 LEGACY SYSTEMS

Since 2017, the Branch has consolidated and standardised the ICT function whereby previously there had been different applications for similar tasks in the Newbridge and Galway offices, divergent opinions on some strategic ICT issues, and even some common business systems had markedly different design features. That work has now been completed, thus enabling the Branch to focus to an ever-increasing extent on strategic ICT planning.

At the same time though, there are still legacy concerns relating to a number of antiquated Lotus Notes-based solutions, along with some discrete systems which are out of support, such as an ASR application in use by the HR Branch. Additionally, a significant challenge exists around the need to replace paper-based systems with modern ICT solutions. Examples include overseas accounts from the Defence Forces being processed manually and the referrals process in the Office of the Ombudsman for the Defence Forces being entirely paper-based. In such instances, the move to new computerised states will necessitate business process mapping and re-engineering to be undertaken at the outset of each new development.

4.7.4 NEW DEVELOPMENT

In this section, consideration is given to the drivers of new development, projects in train, and capability and capacity to deliver.

- a) **Drivers of new development:** The migration of payroll and pensions processing to the Payroll Shared Services Centre in 2016 necessitated a critical examination of the future roles and needs of the ICT Unit. Although a difficult process, buy-in was ultimately achieved and the changes have come to be regarded in a generally positive light.

In 2019, an external contractor was engaged to examine the various applications in use in each Branch and produce findings on what is in need of replacement or upgrade. That exercise, together with the programmes in place with the OGCIO and the NSSO, act as the driver for the bulk of planned new ICT development.

- b) **New projects under way:** A number of ICT projects are being progressed and some preparatory work is also ongoing with regard to the suitability or otherwise of OGCIO solutions to meet the requirements of some Branches. Six new development projects are being pursued at present, including the following:
- a. **Civil Defence Management and Training – Volunteer Equipment & Management System (VEMS):** Due to be completed in 2022, the system will provide a wide range of benefits, including:
- The provision of a modern, remotely accessible, integrated system for managing volunteers and their activities. Current systems are largely paper-based and require considerable data entry and administration.
 - The provision of accurate, up-to-date information on volunteers, their training and activities and a record of all Civil Defence Operations.
 - Streamlining the organisation and administration of training, and supporting the management and maintenance of vehicles and equipment.
- b. **Enterprise Applications Stabilisation Project:** Comprised of financial management applications for the Department and HR applications for the Defence Forces, a major and complex stabilisation project, overseen by a civil/military team, is under way as a precursor to migration to the Financial Management Shared Services Centre.
- c. **eCase:** This new generic case management system, which is available from the OGCIO, provides users with one central location to store and track all data relating to a case. For example, following an application for a service, *eCase* facilitates the efficient processing of the initial application form through a defined workflow and approval mechanism to, ultimately, finalising and closing the case.

The ICT Branch is currently working with Pensions Administration (Disability Pensions) to replace the current Disability Pensions Database with *eCase*. Following this initial project, *eCase* has the potential to replace other older case management applications across the Department.

When developing new *eCase* solutions, it is important that consultations with critical stakeholders should take place. For example, the Litigation Branch, when working on a possible new case management system (CMS), should consult with its principal stakeholder, the State Claims Agency (SCA). It operates a CMS along with a Document Management System (DMS) which will soon be replaced. Eventually, the CMS and DMS will be integrated with one another and it would be most important that the Department would talk to the SCA on its plans.¹⁹

- c) **Capability and capacity:** It had been intended that the migration of desktop services to the OGCIO would free up capability and capacity to manage and undertake new ICT projects. Although the

¹⁹ The *eCase* solution for Litigation Branch would be outside the generic suite developed by the OGCIO.

project management skills exist for such work, both the Department and the Defence Forces would typically require external expertise to develop and implement new bespoke ICT solutions.

Of note is that the Business Analyst contracted by the Department did a lot of business process re-engineering work on the Civil Defence project, especially on the most efficient processes needed for service delivery which were then incorporated into the ultimate ICT solution. It is intended that this general approach will be replicated for new development projects into the future.

4.7.5 GOVERNANCE AND BUSINESS PARTNERSHIP

The governance arrangements for the delivery of ICT programmes and the engagement arrangements with the business side are key determinants of effective project delivery.

- a) **Project selection and governance:** Notwithstanding the fact that there is no formal ICT Governance Board in place, there are factors of good practice in place and ICT governance is exercised through a number of means, principally a joint civil/military Enterprise Applications and ICT Steering Board, regular meetings between the Head of the ICT Branch and the Heads of Branches, and engagement with the Management Board. Regarding the Steering Board, it deals mainly with the Enterprise Applications Stabilisation Project, other shared civil/military enterprise applications, and areas of common concern such as cyber security whereby the Department's ICT Branch and the Defence Forces' Communications and Information Services Branch prepare risk reports as required for consideration by the board.

Regarding those project proposals which do not come within the remit of the Steering Board, decisions on whether to proceed to development and the priority status to be accorded them are taken in an unscientific manner. The reason is that an ICT Governance Board, as provided for in the Department's *ICT Strategy, 2017 to 2021*, is not in place. As a result, the Department selects the new development projects to be pursued on the basis of 'which wheel is the squeakiest'. Clearly, this situation should change.

- b) **ICT partnership with the business:** There are features of good practice in how a new ICT project proposal is progressed – for example, the following early stage conditions must be met:
 - a. **Business case:** The business case is submitted to the Head of the ICT Branch. For the future, it is planned that the three senior managers in the Branch would collectively review a business case.
 - b. **Business processing:** The ICT Branch advises the commissioning Branch to have thought through what processes need to be streamlined and standardised in order to accurately describe the new project specification.
 - c. **Business partnering:** A decision to proceed is predicated on a commitment from the business side that it would participate fully throughout all the project stages. A good recent example of strong ICT and business side collaboration is provided by the e-Tendering project which will facilitate the soft receipting of departmental and Defence Force tenders coming within EU thresholds.

More generally, the ICT strategy specifies that a new development project must be managed by the commissioning Branch and the ICT Branch will input the ICT element. A problem being encountered at times though is that the person from the business side who is responsible for managing the project can become stretched and struggles to find sufficient time to do the core day-to-day job.

4.7.6 ICT STRATEGIC PLANNING

The Department's *ICT Strategy, 2017 to 2021* contains 70 strategic actions under six pillars, the great majority of which have been undertaken either in full or substantively. Developments and factors relating to strategic ICT planning include the following:

- a) **New ICT strategy:** The preparation of a replacement strategy, covering the years 2022 to 2026, has commenced with some initial stakeholder engagement. The strategy will incorporate external stakeholder considerations and take account of this OCR report and the *Report of the Commission of the Defence Forces*. A key aim of the new strategy will be a focus on new development requirements once the OGCIO suite of services and applications has been implemented fully.
- b) **ICT strategy – joint or separate:** There is little appetite on either the civil or military sides for a joint ICT strategy, although both accept that consultations when developing their individual strategies should take place. Although there is some overlap in ICT needs such as finance, it would not be practical to have a joint strategy as the Department and the Defence Forces have very different requirements. Whereas the Department's strategic model is to move much of its business towards shared services through the OGCIO and NSSO as appropriate, the Defence Forces have very different and highly bespoke requirements. Notably, the Defence Forces' Director of Communications and Information Services provides ICT, tactical and cyber defence support to the three DF services – Army, Air Corps and Naval Service.

Looking ahead, the Department and the Defence Forces should be able to work collaboratively on matters of shared interest in a secure ICT environment (similar to a HIVE set-up), and should work towards that aim.

Findings: ICT

F4.19 Business reorientation: The combination of an improved skills-set and the migration of desktop support to the OGCIO is paying significant dividends in terms of customer service, new development and strategic reorientation.

F4.20 Business support: The ICT Branch performed very impressively in the manner it responded over a short period of time to the demands placed on it by the onset of the Covid-19 pandemic.

F4.21 Paper-based legacy systems: The Department is still reliant on some legacy databases and applications, mainly based on Lotus Notes, along with quite a number of paper-based systems. The inefficiencies and risks involved are compounded in some cases by similar reliance on the military side.

F4.22 Bespoke and build-to-share applications: The ICT Branch is successfully refocusing its business model towards new bespoke development and build-to-share solutions. Respectively, reviews of the Civil Defence VEMS project and the *eCase* pilot project on Disability Pensions could assist with the delivery of similar projects into the future.

F4.23 Project governance: The manner in which ICT projects are selected, prioritised and governed is unsatisfactory, with the absence of an ICT Governance Board being a notable weakness.

F4.24 New ICT strategy: It is noted that the Department has commenced work on a new ICT strategy. This will involve engagement with both internal and external stakeholders and will take account of this OCR Report and the *Report of the Commission on the Defence Forces*.

F4.25 Strategic ICT planning with the Defence Forces: Given their highly different business needs, it would be neither practical nor beneficial for the Department and the Defence Forces to seek to develop a Joint ICT Strategy. However, there is scope for more information sharing and stronger collaboration on matters of common interest, concern and benefit.

4.8 CAPABILITY IN FINANCE

In this section the effectiveness of the finance function is considered.

4.8.1 FINANCE FUNCTION

Finance Unit: The Finance Branch is fully decentralised and based in Galway, and its work comprises pay and pension policy, and finance policy and operations. The Branch is considered very competent, with the management of accounts carried out to a high standard. In the view of business units, the Finance function is strong on providing up-to-date data on expenditure and financial profiles. The staff are highly regarded and considered supportive and helpful.

Retirement cliff: The Finance Branch is facing into a significant number of retirements.

Professionalization and skills: The Department employs a qualified accountant. In the context of the move to accruals accounting and other accounting reforms, the professional skillsets of staff may become a challenge. Thus, the Finance Branch may in time need to increase the proportion of its staff with a financial/accountancy background.

Board engagement: Presentations on finance and accounts are made to the Board every month and more frequently when required on issues such as the Estimates. Engagement is generally good.

Defence Forces – delegated budget: As noted in chapter 3, section 3.7, delegation arrangements are in place whereby the Defence Forces are responsible for a budget close on €175 million.

4.8.2 STAKEHOLDER ENGAGEMENT

Public Expenditure & Reform – Vote: The Vote Section in DPER has confirmed that the relationship with the Department is good in terms of monthly reporting and the Finance Branch completes all the tasks required of them.

Public Expenditure & Reform – new project proposals: A gap has been identified in that the Vote Section is not always necessarily aware of key finance-related developments in the Branches generally. For the majority of engagements, communications take place with the AP or PO in the Finance Branch and are rarely preceded by engagement with the relevant policy Branch, even if on a major spending proposal. Overall, there is scope for the Department to improve its engagement with DPER on new project proposals.

4.8.3 FINANCIAL MANAGEMENT SHARED SERVICE CENTRE

FMSSC – retained functions and transition: The development of the Financial Management Shared Service Centre (FMSSC) as part of the National Shared Service Office (NSSO) will have implications for the functions and staff in Galway. On full migration, the finance function headed by the Finance Officer will continue there while the systems side will move across to the FMSSC – i.e. policy will remain with the Department and the transactional activity will move to the NSSO.

FMSSC – staff morale: The uncertainty around the future role of staff in the context of the transition to the FMSSC has negatively impacted on staff morale of those directly concerned. Communications from senior management in this regard require attention.

4.8.4 SYSTEMS

Enterprise Applications Stabilisation Project: As set out previously in section 4.7, a major enterprise applications stabilisation project dealing with the Department's financial function and the Defence Forces' HR activities is under way. A joint civil/military project team, which includes staff from the Finance and ICT branches, has been put in place to manage and implement the project.

Paper-based systems: Some financial activities still remain paper-based. However the Finance Branch is moving some of these processes to digital solutions, for example by the introduction of electronic signatures for certain transactional processes.

Findings: Capability in finance

F4.26 Finance function: The finance function is highly regarded. Some professionalization of the function may require future consideration in terms of the move to accruals accounting and other accounting reforms.

F4.27 FMSS project: The delays in designing and rolling out the planned new Financial Management Shared Service is having a negative impact on staff morale. While this delay is outside the control of the Department, internal communications could be improved.

4.9 CAPABILITY IN KNOWLEDGE MANAGEMENT

Strong knowledge management plans, practices and systems can act as valuable aids to business planning and delivery. Good knowledge management protocols and job guides are critical in mitigating risks arising from retirements and staff mobility, and for business continuity in the context of remote working. This section examines policies and procedures relating to the Department's approach to records and knowledge management.

4.9.1 RECORDS MANAGEMENT POLICY AND ELECTRONIC FILE MANAGEMENT

The principal evidence determined in this area is as follows:

- a) **Policy:** A Records Management Policy was published in February 2021 and sets out the Department's commitment to achieving high standards in record management. It provides *inter alia* for:
 - a) *"guidance in the creation of accurate, complete and reliable records; providing controlled, ready access to them; carrying out disposal safely at the right time; and retaining only those records worthy of preservation as obligated under the National Archives Act, 1986"*.
 - b) *"an active and ongoing programme of training and education to embed the policy as part of an effective and efficient information management framework"*.

Prior to the publication of the policy, Branches operated their own arrangements.

- b) **Governance and Policy Implementation:** The Records Management Policy provides:
 - for an Information Officer to be put in place in each PO area to support the day-to-day implementation of the policy
 - for a cross-divisional Records Management Committee to oversee implementation of the policy and to provide reports on progress to the Management Board
 - for the assignment of lead responsibility to an Assistant Secretary by the Management Board for the purposes of the Records Management Policy, and
 - for the regular review of the policy.
- c) **Archivist:** The Department has taken the positive step of recruiting a professional Archivist to work in the area of records, knowledge and data management. This recruitment arose from a backlog of records due to transfer to the National Archives. The Archivist was involved in the development of the Records Management Policy.

- d) **Electronics records:** The Department is in the process of transitioning to the electronic records management system, *eDocs*, which is hosted and managed by the OGCIO. Staff are receiving ongoing guidance and training as the system is being rolled out.

4.9.2 SUCCESSION PLANNING AND JOB DOCUMENTATION

The principal evidence in this area is as follows:

- a) **Retirement cliff:** Staff perceive that the Department is facing a ‘retirement cliff’. This is supported by recently compiled data which indicates that potentially between 49 and 113 staff may retire over the next two years. According to a *Workforce Planning Report 2021-2023* discussed by the Management Board in December 2021, 78 staff have accumulated over 40 years’ service and 49 of them are over 60 years of age as at 31 December, 2020. The number of potential retirements is 113 if staff with more than 35 years’ service and or/reach age 55 in the 2022-23 period are included. This represents 30% of the Department’s staffing level. However, factors such as the Covid pandemic and changes in retirement age and pensions requirements make it increasingly difficult to predict the point at which an individual would likely choose to retire.
- b) **Succession planning:** There is a need to ensure that mechanisms are in place to achieve seamless continuity of delivery in the event of either planned or unanticipated staff departures. While some good succession planning is evident, there are instances where there is no substantive overlap or handover arrangement. There is a particularly high build-up of corporate knowledge, skills and expertise in the Galway-based finance and pensions function whereby many staff have been *in situ* in the same job for many years.

It is understood that the Department intends to address the uncertainty around future potential retirements by way of targeted succession planning. Work is underway to identify critical posts that may become vacant due to retirements. A succession plan will then be drafted outlining the steps to be taken to ensure that the impact of the retirements in the context of workforce planning is optimally managed.

- c) **Job documentation:** Most Branches have job procedure manuals for new staff. However, the extent to which they are kept up to date varies and often occur on an ‘ad hoc’ basis rather than following standardised departmental policies practices and procedures that are monitored. While the Internal Audit Unit monitors the existence of job guides and tests them to ensure they are up to date, not all Branches have been audited. The job guides that do exist tend to relate to process and transactional type activities, notably in the areas of HR, finance, pensions and litigation.

Findings: Capability in knowledge management

F4.28 Policy and electronic file management: Knowledge management has improved greatly in recent times with a number of very positive developments. These include the recruitment of an Archivist, the publication of a Records Management Policy, the establishment of a cross-divisional Records Management Committee to oversee delivery of the policy, and the move to the electronic records and file management system, *eDocs*.

F4.29 Succession planning: Succession planning is managed in a sporadic manner and requires attention. While job procedure manuals are in place within branches, the extent to which they are updated is uneven across business units.

4.10 CHANGES TO DEPARTMENT’S STRUCTURE

As outlined already in section 4.2.1, one of the reasons why the HR function is not in a position to adopt a more strategic approach is that it struggles capacity-wise due to the number of extraneous functions included in its remit – for example, processing Freedom of Information (FOI) requests.

Currently, a number of routine corporate functions are spread across a number of business units, including of a policy and programme delivery nature. The OCR provides an ideal opportunity for the Management Board and other senior managers to consider a possible restructuring of the current corporate set-up to better consolidate and align certain organisational support functions, thereby freeing up time and resources to focus to a greater extent than at present on the strategic elements of work. Although not a function of the OCR to set out what such a restructuring might look like or what shape it should take, nonetheless some elements can be commented upon:

- a) **HR functional remit and new Corporate Services Unit:** The HR function should ideally include only three distinct elements: Strategic HR (with suitably-qualified staff where possible), Civilian HR/IR, and Learning & Development. Freedom of Information and Protected Disclosures cases and any other residual work items currently housed in the HR Branch there should be relocated to a new Corporate Services Unit.

In establishing this new Unit, consideration should be given to what other corporate-type functions would be a good fit. Issues like Risk Management, Irish Language, Data Protection, Health and Safety, Records Management/National Archives, Customer Service, and general coordination requests are all functions that would fit neatly into such a Unit.

- b) **Planning function:** Consideration should be given as to whether the drafting of Statements of Strategy and the Annual Departmental Report are more appropriate to the proposed new Corporate Services Unit than the Planning and Organisation Branch as at present.
- c) **New and emerging needs:** Some newer corporate-type functions also require to be considered such as the Department's response to the climate challenge including the energy efficiency of both its own and the Defence Forces' building, property and equipment stock. Furthermore, the suite of recommendations arising from this review, together with the findings from the Commission into the Defence Forces, will oblige the Department to allocate resources to drive the implementation of a response to both exercises.

As noted in the Executive Summary at the start of this Report, a significant number of diverse cultural and structural challenges face the Department arising from the recommendations of both the Commission on the Defence Forces and this Review. This transformation programme would best be led by an additional Assistant Secretary assigned solely to this new role which has a strong, future-oriented perspective.

RECOMMENDATIONS ON BUSINESS SUPPORT FUNCTIONS

4A CRITICAL RECOMMENDATIONS

R4.1 HR Branch – reorientation: The Management Board should actively oversee the rapid transition of the HR function away from operational issues to a more strategically focussed approach to business delivery. As a fundamental part of this reorientation, a number of corporate functions, such as FOI, currently assigned to the HR Branch should be extracted and reassigned to a separate dedicated and appropriately resourced Branch.

R4.2 Workforce planning: The Management Board needs to engage more regularly on strategic HR issues. As a priority, the Board should drive the development of a Strategic Workforce Plan which is strongly evidence-based, in line with best practice, and takes special account of the recommendations in this Report and that of the Commission on the Defence Forces.

R4.3 ICT Project selection and governance: The Management Board, as a priority, should put in place an ICT Governance Board, and decide on its most appropriate configuration and Terms of Reference.

R4.4 Strategic ICT planning with the Defence Forces: The Department’s ICT Branch and the Defence Forces’ Communications and Information Services Branch should prepare a joint paper setting out proposals for improved information-sharing and collaboration on matters of shared interest in a secure ICT environment.

Grade drift: See recommendation R1.2 in chapter on LEADERSHIP.

4B IMPORTANT RECOMMENDATIONS

R4.5 HR Branch – accessibility: The Department should take steps to ensure that staff are aware of the relevant points of contact on specific HR matters, as well as those functions falling within the remit of PeoplePoint.

R4.6 Business partnering: One of the first tasks of the newly-focussed HR Branch should be the development and roll-out of a HR Business Partnering model.

R4.7 HR strategy – awareness: The Department needs to relaunch its HR Strategy and ensure it is accorded the appropriate status and importance in terms of helping to support current and longer term business delivery priorities. This should involve the establishment of appropriate oversight and reporting structures.

R4.8 Skills need analysis: The Department should carry out a skills needs analysis to assess the skills needs in the various Branches and to put in place an associated skills redeployment exercise, as matching expertise and skills to job assignments would enable staff resources to be used to optimal effect.

R4.9 Mobility: The mobility policy should be updated as a matter of priority. The Department should ensure that mobility is made more transparent and is applied consistently, subject to both business and staff development needs. Covid-19 demonstrates that remote working can enable work variety and that should be explored post-Covid, especially for staff based in Roscrea and Galway.

R4.10 Performance management – leadership: Senior management need to be more visibly engaged in leading in performance management which is a critical component of business delivery.

R4.11 Performance management - monitoring: A particular role for the HR Business Partnering model, when developed, should include monitoring the quality of performance management in each

business unit, including the regularity of face-to-face meetings and the effectiveness of engagement. This in turn should be reported on to the Board on a regular basis.

R4.12 L&D strategy: The Department should finalise the L&D strategy currently under development and should put a mechanism in place to review its efficiency and effectiveness at regular intervals.

R4.13 Joint civil/military opportunities: A joint civil/military component to L&D could be further explored to allow for civil staff to participate in courses run for military staff along with reciprocal arrangements for military staff.

R4.14 Legacy systems plan: The Department should prepare a Legacy Systems' Plan which would include the following two critical steps:

- a. **Inventory:** Undertake an inventory of all the vulnerable and out-of-date databases and applications in use, as well as the broad range of paper-based systems on which it continues to rely for delivery purposes. This exercise should also cover similar arrangements on the military side which involve shared business with the Department.
- b. **Replacement programme:** The inventory should act as a first step in the development of a phased programme for the discontinuation and replacement of all outdated legacy systems – paper- and non-paper based – with modern, fit-for-purpose ICT solutions.

R4.15 Bespoke and build-to-share applications: The ICT Branch, in consultation with the business side, should undertake reviews of the Civil Defence VEMS project and the eCase pilot project on Disability Pensions with a view to establishing what lessons might usefully be applied to the delivery of similar projects in the future.

R4.16 Communications: The Department should ensure that staff are kept apprised of developments in the context of the transition to the FMSSC.

R4.17 Records management policy: In rolling out the new records management policy, the Department should give due consideration to ensuring high levels of staff awareness of the policy and their individual obligations in relation to same. In accordance with the policy an active and ongoing programme of training and education should be put in place to embed the policy.

R4.18 Succession planning: The Department should ensure that well-developed succession plans are put in place in respect of future vacancies that arise. Additionally, such plans should be put in train in respect of senior staff members moving jobs or facing into retirement.

R4.19 Job documentation: The Management Board should put mechanisms in place to ensure that departmental-wide procedures on job documentation and knowledge transfer are developed and that job manuals are updated frequently.