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Glossary of Terms

APIS - Advanced Passenger Information System

APS - Automated Passport System

AVATS - Automated Visa Applications and Tracking System

CO - Clerical Officer

DFA - Department of Foreign Affairs

FTE – Full-time Equivalent

ICAO - International Civil Aviation Organisation

ICR – Intelligent Character Recognition

ICT – Information Communication Technology

IF4TD - International Forum for Travel Documents

IPO - Irish Passport Office

KPIs - Key Performance Indicators

NIPX - Northern Ireland Passport Express

OPW – Office of Public Works

PID - Project Initiation Document

PMDS - Performance Management and Development System

PPOB – Passport Office Balbriggan

PPOC - Passport Office Cork

PPOM - Passport Office Molesworth Street

PX - Passport Express

TCO - Temporary Clerical Officer

UK – United Kingdom

UKIPS – UK Identity and Passport Service

UNHCR - UN High Commissioner for Refugees

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1 Executive Summary

1.1 Introduction

The Department of Foreign Affairs commissioned KPMG to conduct a Value for Money Review of the Passport Service. The purpose of the review was to evaluate the efficiency and effectiveness of the Passport Service and to provide appropriate recommendations to the Department that will underpin the provision of a cost effective, quality passport service in the coming years.

1.2 Context

There have been a number of legislative and policy changes in recent years which have the potential to impact upon the volume and complexity of the Passport Service's workload. The most recent of these is the Passport Act (2008). This is the first piece of primary legislation governing the issuing of Irish passports. It sets out a citizen's right to a passport, and also provides for a series of offences and penalties for fraudulent acquisition, misuse and abuse of passports.

In addition, the Irish Nationality and Citizenship Act (2004) changed the nature of citizenship rights and this in turn has made the process through which entitlement to a passport is established much more complex. This has created additional complexity in processing applications. The legislative framework also includes the Data Protection Act, which imposes obligations on public bodies concerning the manner in which data are collected, processed and retained, as well as legislation regarding the rights and responsibilities of guardians of children and, in particular, the issuing of passports to children.

The policy context within which the Service operates also has a significant role to play in shaping service delivery and demand. Most notable is the Government policy which provides for free Irish passports to citizens over the age of 65. Approximately 10% of passport applicants fell into this category in 2006.

The strategic and operational context within which the Passport Service exists is centred primarily round the plans and objectives of the Department of Foreign Affairs. It is evident that progress has been made in the delivery of a number of key actions associated with the objectives of the Department's Business Plan 2007 (Consular and Passport Division, Passport Office business unit).

International developments will also impact upon the future provision of services by the Passport Service. For example, international standards will drive future requirements of the document itself.

The Passport Service has been responding to international challenges and, in recent years, there have been major advances in the service, such as the roll out of the automated passport system and the introduction of biometric features on all new passports.

1.3 Overview of the Passport Service

The Consular and Passport Division of the Department of Foreign Affairs is responsible for providing consular assistance to Irish citizens abroad, and for passport and visa services. The Passport Service business unit falls under the remit of the Consular and Passport Division. There are four Passport Offices (three in Ireland and one in London) and 75 Missions/Embassies abroad.

The processes associated with the Passport Office can be broken down into: (i) the application process (the process the applicant must undertake to apply) and (ii) the passport issuing process (the process undertaken within the Passport Office to process application forms and produce passports).

1.3.1 The Applicants' Process

A citizen may apply for an Irish passport in four main ways:

- Through the Passport Express Service
- By regular Post
- In person at a Passport Office, and
- Through Irish Missions abroad.

1.3.2 Passport Issuing Process

A new automated passport application and production system (APS) was installed in the Passport Office in 2004. The APS provides for:

- Electronic data capture
- Verification of entitlement to passport
- Production of passports
- A workflow system to link the component parts, and
- Administrative functions such as management reports, stock control and payments.

A flow diagram illustrating the passport issuing process is included in Section 4.5 of the report.

1.4 Level and Trends of Outputs

The Passport Service can be defined as having two main outputs. These are:

- Passport applications which are successful, resulting in the issuing of Irish Passports
- Passport applications which are unsuccessful, resulting in the application being denied or returned to the applicant for amendments.

The table below provides a summary overview of the total number of passport applications received, the total number of applications rejected and the total number of passports issued in 2006 and 2007.

Summary of Outputs from the Irish Passport Office

Output Parameter	2006	2007
No. of Original Applications	625,734	608,782
Application returned to customers for amendment	65,579	90,237
No. of Passports Issued	614,215	609,695
Passports Issued as a % of Original Applications	98.16%	100.15%
Passports issued as a % of Original Applications (excluding emergency/temporary issues)	96.87%	98.7%

Source: The Department (2007)

**An application may be rejected numerous times and therefore can be counted more than once.*

As noted above, 2007 showed an issue rate of 100.15% of applications. This can be attributed to teething problems at the end of 2006 arising from the new photograph criteria associated with the introduction of biometric passports. These problems resulted in a higher than normal rejection rate and a backlog of applications. In addition to this, the number of passports issued included Emergency, Contingency, Temporary and Duty Officer passports. The applications for these passports would also have been used to produce full passports. In 2006, these applications totalled to 8,097, whilst in 2007 they amounted to 8,819. When Emergency, Contingency, and Temporary passports are excluded, this gives issues of 606,118 in 2006 (96.87% of original applications) and 600,876 in 2007 (98.7% of original applications).

The Passport Service experiences a significant increase in the number of passport applications throughout the summer months. The peaks in demand arise around May, June, July and August. These peaks in demand are similar to those experienced in the UK.

Following the introduction of biometric passports late in 2006, the Passport Service was required to return a large number of applications to applicants for a variety of reasons, including incomplete forms, insufficient documentation and poor quality photographs. In 2006, a total of 65,579 applications were returned for amendment and re-submission, and 90,237 in 2007.

1.5 People

1.5.1 Resources

The Passport Service currently has a staffing complement of 487 staff. The breakdown is illustrated below.¹

Staff by Passport Office – FTE (2007)

	Molesworth	Balbriggan	Cork	London	Total	%
Director of Passport Service	0.25	0.25	0.25	0.25	1	0.21
AP	1	1	1	0	3	0.62
HEO	5	5	2	1	13	2.67
EO/SO	18	19	13	5	55	11.29
CO	87	100	71	13	271	55.65
TCO	32	57	30	25	144	29.56
Total	143.25	182.25	117.25	44.25	487	100%

Source: The Department (2007)

In 2006, the decision was taken to increase the numbers of CO staff to reduce the levels of TCO staff and staff overtime. Even with the agreed increase of COs, the use of TCO grade staff in 2007 was still relatively high at 29.57% of the staffing complement, although this is a substantial reduction since the introduction of the sanctioned increase. In 2006, of the total complement of 432 staff, 207 were TCO grade, which equated to 47.9%.

The usage of TCOs within the Passport Service has been a traditional method for servicing peaks in demand during the summer. The Passport Service has seen a shift in its demand profile with the peak season starting earlier each year. As a result, individual offices have felt additional pressure to have their complement of TCO staff in place early for the peak season.

¹ Passport Service staff have informed KPMG that, to date, 21 posts remain vacant: 2 HEO posts and 19 CO posts.

1.5.2 Training

All Passport Office staff need to be trained to undertake their duties, which include pre-scanning, scanning, checking, fraud checks etc. Although the approach taken to this is broadly similar across offices, there is no standardised approach to this staff training. Each office acts independently and has autonomy in its training approach.

Full induction training is not necessary for returning TCO staff and, as such, standardised refresher training is required. Going forward, the Passport Service should consider a standardised approach to training taking into consideration staff grades and role.

The Passport Service has in place a Performance Management System (PMDS), which is used to review the performance of individual members of staff and offices. The Automated Production System (APS) enables the production of in the region of 50 output reports and greater use could be made of it as a management tool. These systems could be used in tandem to a greater extent to compare the differing workloads across the offices and the range of complexities of applications.

1.5.3 Staff Costs

The following table shows the staffing costs of the Passport Service across each office from 2004 – 2006.

Staff Costs per Passport Office (including overtime, 2003-2007)

	2004	2005	2006	2007
	€	€	€	€
Salaries and Wages				
Molesworth	6,871,498	**9,531,786	4,519,769	4,931,018
Balbriggan	196,083	-	4,717,107	5,918,538
Cork	1,973,959	2,500,047	2,977,409	3,405,823
London	1,667,033	2,141,124	1,825,887	2,141,985
Missions*	1,667,033	2,141,124	1,825,887	1,917,182
Total Cost	12,375,605	16,314,081	15,866,059	18,314,546
Number of applications	586,889	648,228	691,313	699,019
Cost(€)/application	21.09	25.17	22.95	26.20
Number of Issues	550,000	569,475	614,215	609,695
Cost(€)/Issue	22.50	28.65	25.83	30.04

Source: The Department (2007)

* Staff cost for the missions are assumed to be proportionate to the London Office costs for the period 2003-2006.

** No breakdown of the individual costs of the Balbriggan and Molesworth Street offices was available

There are a number of key drivers which impact on staff costs within the Passport Service, including staff overtime and the use of TCO staff.

The Passport Service is a resource intensive organisation and, in order to meet its customer charter and achieve high standards of customer service, it must be adequately resourced. Any staff shortages could potentially have an adverse impact on the level of customer service which can be offered. Unless productivity or efficiency within the Service can be increased, or customer demand can be managed, the Service will continue to need additional staffing resources as the number of applications increases.

1.5.4 Overtime

Overtime payments have been an ongoing issue within the Passport Service. An analysis was conducted of the staff payments made between 2004 and 2007 across each of the offices. As shown in the following table, overtime costs in the individual offices decreased from 2005 to 2006. However, these costs rose sharply again in 2007. This has occurred despite the increase of permanent staff which was aimed at reducing the levels of overtime and the pressures on the Service.

Overtime Costs per Office from 2004 to 2007

	Molesworth €	Balbriggan €	Cork €	London €	Overall €
2004	322,965	3,033	168,261	*	494,259
2005	575,121	494,261	412,037	34,268	1,515,687
2006	475,461	450,904	366,987	35,815	1,329,167
2007	513,187	674,135	314,606	18,058	1,519,986

Source: The Department (2007)

*Not available.

Overtime payments reflect the seasonal peaks in demand. It is noted that the overtime payments for 2007 show a lower monthly peak in 2007 than in 2006.

It is also noted that as a percentage of staff costs, overtime has decreased from 11.8% in 2005 to 10.3% in 2007. This figure still remains significant despite the increase in permanent CO staff.

1.5.5 Absence

The Passport Service experiences relatively high levels of staff absence (with an average of 8.9 sick days per employee in 2006 compared to an overall Departmental rate of 6.93). The Passport Service should continue to hold this under review, and should use this as a Key Performance Indicator (KPI) against which it can try to reduce the level of sickness.

1.6 Financial

1.6.1 Income and Expenditure

The table below shows an overview of the high level income and costs associated with the Irish Passport Service during the period 2002-2006.

The Passport Service generates income from the fees which are charged to its customers for the production of passports.

As with all Government departments, the Passport Service reports under the cash-based accounting concept as shown in the table below. High level information on the accruals concept is provided in Section 7 of the report.

Passport Service High Level Income and Costs – Cash-Based Accounting €000 (2002-2006)

	2002	2003	2004	2005	2006
Cash-based Accounting					
Receipts	23,192	23,426	30,135	32,651	30,856
Current Expenditure	(17,982)	(19,965)	(21,267)	(29,741)	(33,736)
Capital Expenditure	(4,725)	(16,092)	(10,701)	(2,247)	(4,086)
Surplus/Deficit	485	(12,631)	(1,833)	663	(6,966)

Source: The Department (2007)

The most costly elements of direct expenditure to the Passport Service are machinery and equipment. Significant investment in office machinery has taken place across the last five years within the Service, and this is likely to continue, given the need for the Passport Service to continue to meet customer demands and to develop ways of combating the threat of passport-related fraud.

Within the Passport Service, two major projects have recently been implemented - the Automated Passport System (APS) and the introduction of the biometric chip (e-passport). These innovations were key to the Passport Service being able to meet the demands being placed on it for more and better quality passports, and its targets as recorded in the customer charter.

The final financial position of the Passport Service has varied year on year and we have noted that, generally in a year where large scale capital investment has taken place, the Service has recorded a deficit. In 2006, the Passport Service recorded a deficit of almost €7 million on a cash accounting basis. When indirect costs, such as Information and Communication Technology (ICT), were also taken into account, this deficit increased to almost €8 million.

1.6.2 Indirect Costs

In addition to the direct costs associated with the delivery of the Passport Service as shown in the previous table, there are a number of costs associated with the running of the Service that are not directly charged to the Service but are highlighted in the expenditure of other units within the Department. The largest of these are those costs associated with the Information and Communication Technology (ICT) Unit in the Department.

A member of staff within the ICT Unit is dedicated to the Passport Service to ensure that it has appropriate systems to deliver the Service. In addition there are other members of the ICT Unit, such as analysts, who are responsible for delivering IT related projects within the Passport Service on an ad hoc basis. For example, a team of IT staff was involved in the Biometrics Project. Since 2004, the total cost of IT staff time involved in Passport Service-related work is €491,000. These costs were allocated to the ICT Unit budget. Furthermore, an average annual expenditure of €2 million is paid by the Office of Public Works (OPW) for rent on Passport Service Offices.

1.6.3 Capital Expenditure

The Service also incurred high-levels of costs relating to capital expenditure, of which €6 million related to the Biometrics Project and €3 million for the full implementation of the APS Project. Other countries, such as the UK and the Netherlands, have avoided this large scale capital expenditure by outsourcing the production of the passport booklets to private companies under Service Level Agreements (SLA). The Passport Service should undertake a cost benefit analysis of outsourced and in-house passport production before the end of the useful life of the current equipment.

At present, there are no processes in place to identify the future financial investment requirements necessary to upgrade the technical equipment used to produce passports. This is a key issue for the Service as it is likely that, in the future, there will be the need to upgrade both the hardware and software to ensure that the Passport Service can continue to produce a passport capable of coping with the additional biometric information that may be required to combat the increasing and ever evolving threat of fraud.

The Department also has no set financial objectives regarding the extent to which the Passport Service is required to be self-financing or otherwise.

1.7 Future Demand

There are a number of factors that will impact on future demands placed on the Passport Service, mainly to changes in the Irish population and increasing travel by Irish citizens. In addition, international requirements concerning a range of security features on the passport document will also influence production standards.

It is anticipated that the population of Ireland (North and South) will increase by approximately 1 million from 2006 to 2021 to just under seven million. This will result in increasing demand for passport-related services. Given that 69% of the population currently hold a passport, it would be reasonable to expect that there could be approximately 4.3 million passports in existence.

The level of travel among Irish citizens has also been increasing. In 2001 four million personal and business trips were undertaken, compared to seven million in 2006. This increase in travel is also likely to impact on the level of demand for passports.

1.8 Performance

1.8.1 Economy

In 2006, the Passport Service generated fee income of €30.8 million. The Passport Service has also foregone in the region of €4.4 million in fees through the provision of free passports to the over 65s.

The annualised passport fee for Ireland is €7.50, which compares favourably against comparator organisations in the UK, Denmark and the Netherlands.

In 2006, the cost (direct and indirect) of the Passport Service was €38.8 million, which equates to approximately 5% of the total Departmental budget. The major cost elements associated with the service are staff costs and office machinery costs.

In 2006, staff costs accounted for 47% of the direct Passport Service costs. Overtime continues to be an issue for the Passport Service, and a total of €1.5 million was recorded in 2007 despite the introduction of additional permanent CO staff.

1.8.2 Efficiency

In 2006, the Passport Service processed over 691,313 applications. This included applications that were returned to customers for amendment and resubmission. During 2006, over 65,000 applications were returned to applicants for re-submission. The main reasons for returns were

submission of sub-standard photographs or failure to submit supporting documentation such as original copies of civil birth certificates. This impacts on the efficiency of the Passport Service as these applications are effectively processed at least twice. In 2006 the average cost per application processed was €56.20. The average cost per passport issued in 2006 was £63.25 as shown in the table below.

Cost per passport issued (Cash Based)

Year	Passports Issued	Cost per passport (Direct only) €'s	Cost per passport (Including indirect) €
2004	550,000	58.12	58.56
2005	569,475	56.17	58.75
2006	614,215	61.58	63.25

Source: The Department (2007)

The level of staff absence due to sickness is another factor that impacts upon the efficiency of the Passport Service. In 2006, the Passport Service average level of sick days per employee was 8.9, compared to a Department-wide rate of 6.93. The highest levels of sickness were among the TCO and CO grade staff which accounted for around 90% of all sickness. In total, over 1,300 days were lost due to sickness.

1.8.3 Effectiveness

The PMDS system allows each individual office to monitor staff performance and can allow offices to benchmark on an individual and team basis. Broadly speaking, reports have shown that staff have been meeting the individual targets that have been set for them and are generally performing well. The APS can also produce a wide range of reports on each element of the passport processing system, which is at present not being fully utilised.

We have found that the Passport Service provides a high level of customer service to the Irish public, and that they are extremely accommodating to members of the public, especially in dealing with applicants who need their passports with a quick turnaround. This is supported by the most recent customer satisfaction survey, which was generally very favourable and reflected the high level of public service that is provided.

1.8.4 Key Performance Indicators

Following an analysis of the overall performance of the Passport Service we developed a number of Key Performance Indicators (KPIs), which are aimed at improving the efficiency and effectiveness of the Service. The following table notes the KPIs, the rationale behind their selection and the current level of performance. The Department will now set targets against these indicators and timescales indicating when the targets should be met.

Suggested Key Performance Indicators

Suggested KPI	Rationale	Actions required	Current position
All correctly completed Passport Express applications should be processed within 10 working days.	To continue to meet customer service charter.	Raise public awareness of guidance (to improve quality of application). Where possible work with An Post and the Post Office to improve PX and NIPX applications. Internal Review process to identify areas to improve processes. Collect data that will allow the Passport Service to report progress towards the target.	100%
Reduction in the proportion of applications that are returned to customers for amendment and resubmission.	To improve efficiency and to reduce the number of applications that are processed more than once.	Raise public awareness regarding application and photograph requirements. Raise awareness of the application guidelines provided online.	12.9 % of applications (2007)
Staff perform to agreed productivity levels	To contribute towards improved efficiency.	Set SMART productivity targets for individual staff and teams.	Data not yet available at this level
Reduce the level of staff sickness and absence	To improve efficiency.	Improve working environment Consider staff reward scheme Identify and resolve any local issues Implement task rotation	8.9 days (2006)
Reduction in overtime costs	To improve efficiency.	Improve processes to deal with peaks in demand Analyse overtime 'triggers'.	9% of total staff costs (2006)

Notwithstanding the KPIs noted above the Department may also wish to consider developing further KPIs that are specific to each of the functional areas within the Service, such as finance, customer satisfaction human resources and security/integrity.

1.9 Recommendations

A number of recommendations have emerged following our review as detailed below.

1.9.1 Recommendation 1

In order to manage the level of demand and improve processing efficiency, the Passport Service should further promote Passport Express and Northern Ireland Passport Express (NIPX) as the preferred method of application. The UK Identity and Passport Service (UKIPS) has successfully done this through advertising campaigns and working directly with travel agents and the Post Office. The Irish Passport Service should consider a similar approach.

1.9.2 Recommendation 2

To emphasise the various requirements of the application process, for example photographs, the Passport Service should develop a public awareness campaign, including targeting the Post Office and Travel Agents.

1.9.3 Recommendation 3

The Passport Service should investigate ways in which to spread demand more evenly over the year (examples could include enhanced advertising).

1.9.4 Recommendation 4

In considering the level of demand and the recent implementation of APS, the Passport Service should undertake a detailed process review of the passport application process to ensure staff resources are appropriately matched to demand.

1.9.5 Recommendation 5

The Passport Service should consider providing a standardised training approach for core tasks, including refresher training courses for returning TCOs.

1.9.6 Recommendation 6

The Passport Service should make more use of the APS reporting systems in conjunction with PMDS to compare the different workloads across offices, the complexities of applications, and individual productivity and performance.

1.9.7 Recommendation 7

The Passport Service should keep the level of overtime under close review in 2008. In particular, the Service should pin-point overtime triggers in order to anticipate and avoid overtime, where possible.

1.9.8 Recommendation 8

The Passport Service should continue to keep the level of absence under review, and should use this as a KPI against which it can try to reduce the level of sickness. As the sickness rate in the Molesworth Street Office is particularly high, the Passport Service (in conjunction with the Department's Human Resources Section) should undertake a review of this office in order to address any specific issues.

1.9.9 Recommendation 9

The Passport Service should consider a reward scheme that is appropriate to its circumstances to encourage a reduction in absence rates and increase productivity.

1.9.10 Recommendation 10

An assessment of the future financial implications for the Passport Service arising from the impact of the policy waiver for over 65s should be undertaken to allow the Passport Service to plan for future financial requirements.

1.9.11 Recommendation 11

The Passport Service should undertake a cost benefit analysis of producing passports, in-house and outsourced, before the end of the useful life of the current APS hardware.

1.9.12 Recommendation 12

The Passport Service should develop a capital development plan to ensure equipment etc is adequately provided for.

1.9.13 Recommendation 13

More detailed Management information System (MIS) data should be produced, including direct and indirect costs, to enable the Service to become more accountable.

1.9.14 Recommendation 14

The Department should develop a clear statement relating to the financial objectives of the Passport Service, i.e. self-financing or otherwise.

1.9.15 Recommendation 15

The Passport Service should plan the level of resources required to deliver services in the future taking into account the level of population increases and associated increased travel.

2 Introduction

2.1 Background

The Mission of the Department of Foreign Affairs (the Department) is to advance Ireland's political and economic interests in the European Union and in the wider world, to promote Ireland's contribution to international peace, security and development both through the European Union and through active participation in international organisations, in particular the United Nations, to protect Irish citizens abroad, and to pursue reconciliation and partnership on the island of Ireland.

The Department of Foreign Affairs issues passports to Irish citizens through its Passport Offices in Dublin, Balbriggan, Cork, London and through its network of Diplomatic and Consular Missions.

The Department now issues in the region of 600,000 passports per annum. The demand for passport, consular and visa services is expected to continue to grow over the coming years as the Irish economy continues to flourish.

2.2 Terms of Reference

The Department commissioned KPMG to conduct a Value for Money Review of the Irish Passport Service. The Terms of Reference for the review are set out below.

2.2.1 Purpose of the Review

The purpose of the review, as set out in the terms of reference, is to evaluate the efficiency and effectiveness of the Passport Service and provide appropriate recommendations to the Department that will underpin the provision of a cost effective, quality passport service in the coming years.

2.2.2 Scope

The scope of the Value for Money Review spanned all of the Passport Service (including the Passport Offices in Balbriggan, Molesworth Street (Dublin), Cork and London, as well as all of the missions and consulates abroad). Specifically, the aim of the review was to:

- Review the strategic and business objectives of the Passport Service and their compatibility with the overall strategy of the Department of Foreign Affairs
- Define the outputs associated with the Passport Service and identify the level and trend of these outputs. This will include the various passport types and the services provided both from the Passport Offices (Balbriggan, Dublin, Cork and London) and the Embassies and Consulates abroad
- Examine the extent that the objectives of the Passport Service have been/are being achieved, and comment on the effectiveness with which they have been achieved. In this regard, the review should take account of the importance of security and integrity in the passport production and issue process
- Identify the level and trend of costs and staffing resources associated with the Passport Service and comment on the efficiency of the Service

- Evaluate the degree to which the objectives warrant the allocation of public funding on a current and ongoing basis and examine the scope for alternative policy or organisational approaches to achieving these objectives on a more efficient and/or effective basis (e.g. through international comparison)
- In examining this question, the review must take account of the requirement for ongoing investment in the passport system to maintain the existing level of service, and to take account of alternative or future changes to passport features, security-related requirements, processes and technological advancements, and
- Review existing performance indicators for monitoring the performance of the Passport Service and, where appropriate, make recommendations for improvement.

In addressing these questions, the review examines the management and administration framework that underpins the Passport Service, including:

Human Resource Management

- Flexibility and responsiveness of the human resource management system to respond to levels of demand for passports
- Systems to encourage and reward high levels of productivity
- Role and usefulness of the Performance Management and Development System (PMDS).

Financial and Performance Management

- Use of the financial management system to support planning and budgeting, and measure performance in the management of the Passport Service
- Adequacy of costing information and scope for enhancement as a management tool
- Use of other appropriate performance metrics.

2.3 Approach

The assignment was undertaken in 4 main stages, an overview of which is provided in the following paragraphs:

- Project planning and set-up
- Data collection and analysis
- Site visits to comparators, and
- Consideration and reporting.

2.3.1 Project Planning and Set-Up

KPMG meet with the Department's Project Steering Group to discuss and refine the scope and detail of the study.

2.3.2 Data Collection and Analysis

KPMG undertook a range of data collection exercises with both Passport Service and Department staff (the data collection exercise was conducted between August and December 2007). The range of data collected included:

- Financial data
- Human Resources data
- Activity/Productivity data, and
- Performance management data.

A number of stakeholder interviews were also held with key Departmental staff.

2.3.3 Site Visits to Comparators

In order to consider the processes and procedures of other countries, and to provide data against which to compare the performance of the Irish Passport Service with, three visits were made to key staff responsible for issuing passports in:

- Netherlands
- Denmark, and
- UK.

During the visits, KPMG gathered data relating to passport fees, costs, application processing procedures and staffing. A summary of comparator findings can be found in Appendix 5.

2.3.4 Consideration and Reporting

Data gathered during the previous stages was collated in order to consider the efficiency, effectiveness and economy of the Passport Service. The Departmental Steering Group were provided with both draft and final reports.

Further detail in relation to the scope and approach of the review is contained in Appendix 1.

2.4 Acknowledgements

KPMG would like to thank the staff from the Passport Service and the Department who worked with the KPMG team to provide supporting evidence for the review.

3 Context

3.1 Introduction

In reviewing the Passport Service (or ‘the Service’), we have considered the legislative and policy environment in which the Passport Service operates. In line with the terms of reference, we have also reviewed the extent to which the strategic and business objectives of the Passport Service are compatible with those of the Department of Foreign Affairs, henceforth referred to as the Department. In addition, we have reviewed the international context within which the Service operates.

In this section, we consider the following:

Section	Heading
3.2	Legislative Context
	Irish Passports Act (2008)
	Irish Nationality and Citizenship Act (2004)
	Data Protection Act (1988-2003)
	Acts relating to Children’s Passports - Adoption Act, 1952; the Guardianship of Infants Act, 1964; the Status of Children Act, 1987
3.3	Policy Context
3.4	Strategic and Operational Context
	Departmental Strategy Statement 2005-2007
	Departmental Passport Service Business Plan 2007
	Departmental Annual Report 2006
	Departmental Customer Charter 2007
	Departmental Customer Service Action Plan 2006-2008
3.5	International Context
3.6	Conclusions and Implications for the Passport Service

3.2 Legislative Context

3.2.1 Passports Act 2008

The Passports Act 2008 is the first piece of primary legislation governing the issuing of Irish passports. Passports are currently issued under general administrative provisions set out in the Ministers and Secretaries Act 1924.

The purpose of the Passports Act 2008 is to establish a comprehensive legislative basis for the regulation and issuance of Irish passports by the Minister for Foreign Affairs. In addition to setting out the citizen’s right to a passport, it provides for a series of offences and penalties for the fraudulent acquisition, misuse and abuse of passports. A few of the most salient elements of the Act are discussed in the following paragraphs.

Section 6 is at the core of the Act and provides for the right of all Irish citizens to apply for and be issued with a passport, subject to the Act. It sets out the application process and the appropriate persons to make an application.

Section 12 of the Passport Act 2008 outlines the circumstances in which a passport shall not be issued, as well as situations where the Minister has discretion in this regard. The constitutional right to travel is not an unqualified right. Section 12 seeks to reflect that position in legislation. A refusal is mandatory in circumstances where there is uncertainty regarding citizenship or identity, where applicants are subject to orders under the Bail Act 1997, in cases where false information is provided, and in situations relating to problems with consent of parents or guardians.

Issues relating to the provision of passports to minors are covered in Section 14 of the Act. This provides for a general rule that the Minister shall not issue a passport to a minor without the consent of each guardian. Consent of each guardian is required except in certain limited circumstances, such as; (i) a court has directed so; (ii) the Minister determines that to issue a passport in the absence of a guardian's consent is in the child's best interests; or (iii) a guardian is not contactable. The reference to the best interests of the child in this principle is consistent with Ireland's obligations under Article 3 of the Convention on the Rights of the Child. Section 14 (8) introduces the concept of enduring consent whereby consent by a guardian to the issuing of a passport shall be deemed to be valid for future passports until the child reaches 18, unless consent is subsequently revoked by a guardian. Where enduring consent applies, the Minister has discretion in subsequent applications to require the signature of only one guardian.

Section 19 proposes the establishment of an independent appeals mechanism. This provision was included by Government amendment of the Act at Committee stage in December 2007 and provides for appeals to an independent appeals officer(s) in relation to decisions to refuse or cancel a passport.

Sections 14 and 19 have the potential to increase complexity and add to the workload in terms of the Passport Service. In relation to Section 14, the Passport Service may have to review for previous applications for signatures. Continuing evolution of case law on the rights of unmarried parents may require ongoing revision of procedures. The volume of additional work in relation to appeals will depend on a number of factors, including the public's reaction and the success rate in appeals in respect of refusals to issue.

3.2.2 Irish Nationality and Citizenship Act (2004)

An Irish Passport may only be issued to an Irish citizen. The Nationality and Citizenship Act 2004 stipulates that anyone born on the island of Ireland on or before 31 December 2004 is entitled to be an Irish citizen. The citizenship entitlement of every person born on the island of Ireland on or after 1 January 2005 is governed by the citizenship of the person's parents at the time of the person's birth or the residency history of one of the parents prior to the birth.

Where a child is born in Ireland on or after 1.1.2005 to a parent who is a non national (other than an EU/EEA/Swiss national), the child will qualify for Irish citizenship if, at the time of the birth of the child in the island of Ireland, one of his/her parents had reckonable residence in the island of Ireland for three of the four years immediately preceding the birth of the child.

Once a parent has been granted refugee status any child born in Ireland after that date is automatically an Irish citizen. There is no three year reckonable residence requirement for parents who are granted refugee status.

3.2.3 Data Protection Act

To guard against fraud, it is necessary to require applicants to produce adequate evidence of their identity and their entitlement to an Irish passport. This in turn means the Department acquires a considerable volume of personal data.

The Department and the Passport Service are required to comply with the provisions of the Data Protection Act 1988 and 2003 (Amendment), along with all other organisations keeping personal information. They must give individuals access to their personal information, and must correct or delete any information found to be inaccurate or irrelevant.

3.2.4 Legislation Regarding Consent of Guardian and Issuing Passports to Children

Consent of guardians is required before a passport can be issued to a child. This area is currently governed by the terms of several acts, mainly the Adoption Act 1952, the Guardianship of Infants Act 1964, the Status of Children Act 1987, and with various court decisions dealing with cases arising under these Acts.

The Passports Act 2008 introduces the concept of the child's best interests in relation to issuing a passport. Section 14 outlines the circumstances in which the consent of a parent or guardian is not required. The change is consistent with the principles in European Court of Human Rights case law.

3.3 Policy Context regarding over 65s

Since 1st of August 2005, Irish passports have been issued free of charge to Irish citizens aged 65 years and over, whether in Ireland or abroad. The initiative was part of an overall Government strategy to focus benefits of prosperity on senior citizens. It was intended to build upon the existing free public transport, TV licence, phone and electricity schemes for older people. In 2006, over 58,000 people (approximately 10% of applicants) received a free passport.

As will be discussed in later sections, this policy also has revenue implications as these applications represent in the region of €4.4 million of lost income and the policy creates a subsidy requirement for the Passport Service.

3.4 Strategic and Operational Context

3.4.1 Departmental Strategy Statement 2005-2007

One of the high level goals set out in the Departmental Strategy Statement 2005-2007 relates to the Consular and Passport Services Division. This goal is as follows:

“To protect and support the interests of Irish citizens abroad, maintain and strengthen links with people of Irish ancestry, and provide a modern and efficient passport and consular service”.

Underpinning this high level goal are 3 key objectives:

- Deliver a high quality passport service to the public
- Provide a high quality consular service to Irish citizens, and

- Provide an effective visa service for people travelling to Ireland in co-operation with the Department of Justice, Equality and Law Reform.

Each objective is accompanied by a number of strategies, developed to facilitate the achievement of the objective. An overview of the strategic objectives and related key performance indicators is shown in Appendix 2.

3.4.2 Departmental Passport Service Business Plan 2007

The Department's Business Plan 2007 (Consular and Passport Division, Passport Office Business Unit) contains a number of specific objectives and actions to underpin the delivery of the Department's Strategy Statement 2005-2007. In relation to the overarching objectives of the Department, four specific objectives have been developed for the Passport Service with 13 related Business Unit actions, as detailed in Appendix 4.

Four of the most salient actions are:

- Work with HR in the recruitment of sanctioned numbers of staff
- Work with the consular section on the drafting of new passport legislation
- Improve public awareness of the Passport Service's photograph policy, and
- Reduction in the rejection rate for photographs.

A number of these strategic actions, such as the recruitment of additional permanent staff and the drafting of passport legislation have been implemented. However a number still have to be completely implemented. As noted in Section 5, of all applications rejected, the proportion rejected due to issues with photographs increased from 38% in 2006 to 56% in 2007. This would indicate that further work is required by the Passport Service to increase public awareness of photograph requirements. Furthermore, the number of rejected applications and re-submissions has also impacted negatively on the efficiency of the Service.

3.4.3 Departmental Annual Report 2006

The Department Annual Report 2006 sets out the progress made against the objectives set out in the Department's Strategy Statement 2005-2007. It also sets out the Department's performance against standards contained in the Department's Customer Charter 2007. Some of the key achievements outlined in the report include:

- The issuing of over 614,000 passports to Irish citizens in 2006 (equivalent to almost 12,000 per week)
- Increased use of the Northern Ireland Passport Express (NIPX) service
- The on-time and cost-efficient introduction of the e-passport (including biometric² features) in October 2006, meaning that Ireland has one of the most secure passports in the world and that its citizens continue to benefit from the US visa waiver programme, and

² An e-passport is a combined paper and electronic identity document that uses biometrics to authenticate the citizenship of travellers. The passport's critical information is stored on a tiny Radio Frequency Identification (RFID) computer chip, much like information stored on smartcards. Like some smartcards, the passport book design calls for an embedded contactless chip that is able to hold digital signature data to ensure the integrity of the passport and the biometric data.

- The development of a newly designed website and the introduction of an online passport application tracking facility.

3.4.4 Departmental Customer Charter 2007

The Department of Foreign Affairs is committed to providing all customers with a high standard of service in accordance with the principles of Quality Customer Service approved by Government.

The Department's Customer Charter sets out the standards of service that it aims to provide to customers on issues such as telephone contact, written correspondence and applications for passport, visa and consular services.

The Charter was prepared following a public consultation process that included a customer service survey and a survey of Passport Service customers. The Department regularly measures and evaluates performance against the standards set out in the Charter.

3.4.5 Department Customer Service Action Plan 2006-2008

The Customer Service Action Plan notes that the Passport Service is committed to providing a quality customer service to applicants for passports. In order to inform the preparation of their current Customer Charter and Customer Service Action Plan, the Department surveyed users of the Passport Service and its website³ in 2004. The survey covered various aspects of customer service including telephone contact, written correspondence and public office management.

Results from the survey helped inform the Customer Service Action Plan, which includes a number of actions around key areas such as provision of accurate and accessible information in relation to passports and visas, customer choice in relation to payment methods, contact points etc, and the provision of quality consular services overseas.

3.5 International Context

As will be discussed in the following paragraphs, there are a number of European and international regulations stipulating document requirements in relation to passports; many of these regulations have been introduced to reduce fraud and increase national security.

Internationally, there is also a cultural aspect which impacts upon personal identification and travel documents. For example, many countries across Europe (such as the Netherlands and Denmark) have already established national identity cards and the UK is in the process of introducing such cards. Culture does impact demand for such documents, and personal data protection is important. There can be a fear amongst the public that such identity cards will result in an erosion of personal privacy.

3.5.1 ICAO

The International Civil Aviation Organisation (ICAO) is the UN agency responsible for the regulation of international air travel. As part of this brief, the ICAO sets international standards for machine readable and e-passports. ICAO requirements are for countries to produce e-passports which include one biometric.

³ *Passport Office Customer Satisfaction Survey (2004)*

3.5.2 EU

The EU has adopted ICAO standards. Furthermore, members of the Schengen Acquis are required to include a second biometric from 2009. Ireland and UK are not party to the Schengen, and therefore are not bound by its provisions.

3.5.3 US

The US has introduced a number of new security measures as part of its US-VISIT programme. The US-VISIT programme means 'US Visitor and Immigrant Status Indicator Technology programme'. The US Department of Homeland Security intends that the system will eventually record both entry and exit information and maintain a history of all visitors' movements.

As part of this programme, in 2005, the US commenced the requirement that in order to avoid the need to obtain a visa, all Irish passport holders must carry a machine-readable passport when travelling to the US (over 90% of all Irish passports in circulation are machine readable). Ireland is one of 27 countries where passport holders may enter the US without a visa for travel or business purposes for a maximum period of 90 days.

Furthermore, the US requires those countries that wish to participate in the Visa Waiver Program to have biometric chips in their passports (since 2006). In addition to heightened security relating to passport documents, the US Bureau of Customs and Border Protection now also takes a digital scan of both index fingers of all visitors to the US. Also a new Advanced Passenger Information System (APIS) provides US officials with pre-arrival and departure data on all passengers and crew members.

3.5.4 UK

The UK has also introduced a number of measures to further enhance security in relation to passports. New border controls introduced recently in the UK utilise equipment designed for the new generation of biometric passports with security holograms and computer-embedded data.

Since 1 June 2007, first-time adult UK passport customers are no longer able to use the fast track one-week service. First time customers, aged 16 or over, are required to attend an interview as part of the passport application process, to allow for increased applicant identity checks. To facilitate this, the UKIPS is opening 69 local interview offices across the UK. The passport interview offices have been planned with sufficient space to allow for the future enrolment of fingerprint biometrics.

Another development in the UK is the review of the UK-Republic of Ireland Common Travel Area⁴ (i.e. the ability to travel without a passport between the two jurisdictions). In October 2007, it was reported that the UK Government were considering introducing passport checks between Britain and Ireland from 2009 onwards, as part of a proposed electronic border control system (i.e. an instant check of all arriving passengers against various databases), thus putting the future of the Common Travel Area in doubt. Such a development could result in passengers arriving from Ireland having to present a passport, just like passengers from anywhere else. However, it is unlikely that the UK Government would apply the e-border to the land border between the Republic of Ireland and Northern Ireland, as this would be very difficult to enforce.

⁴ The Common Travel Area is a passport-free zone which comprises the Republic of Ireland, the United Kingdom, the Isle of Man, Jersey and Guernsey. The area's internal borders are subject only to minimal border controls and can be crossed by Irish and British citizens (including Manx people and Channel Islanders) with minimal identity documents. The maintenance of the Area involves considerable co-operation on immigration matters between the British and Irish authorities. There is no formal agreement between Ireland and the United Kingdom regarding the Common Travel Area.

3.6 Conclusions and Implications

There are a number of policies, key pieces of legislation and international regulations which underpin the service provided by the Passport Service in Ireland, each of which has the potential to impact on the volume of activity, the complexity of the workload and revenues to the Service. Most prominently is the recent Passports Act, which embodies the right of all Irish citizens to apply for and be issued with a passport, subject to the Act. This will inevitably have an impact upon the Passport Service and will underpin future demand. In addition, the Act provides for an appeals process. Again this will impact on the services delivered by the Passport Service going forward, as it may further increase the workload.

The policy context within which the Service operates also has a significant role to play in shaping service delivery and indeed demand. Most notable is the Government policy which provides for free Irish passports to citizens over the age of 65. Approximately 10% of passport applicants fell into this category in 2006 (the first full year of its operation). This policy has resulted in a subsidy requirement, whereby the Passport Service can absorb this extra cost. Effective planning is required to ensure the future sustainability and the delivery of this policy. Future Government policy decisions such as this will impact upon the Passport Service and, for this reason, it is important that any such developments are carefully monitored and evaluated.

The strategic context, within which the Passport Service exists, centres primarily around the plans and objectives of the Department of Foreign Affairs. It is evident that progress is being made in relation to a number of objectives from the Department's Business Plan 2007 (Consular and Passport Division, Passport Office Business Unit). Furthermore, as the objectives of the Passport Service are mainly focused on improving customer service and procedures within the Service they are also compatible with the Department's key objectives.

International developments will also impact upon the future provision of services by the Passport Service. For example, international standards will drive future requirements and cultural norms will challenge what is regarded as good practice in relation to personal identification and travel documents. Potential developments in the UK, pertaining to the current Common Travel Area, may also result in enhanced border controls.

The Passport Service has been responding to international challenges and, in recent years, there have been major advances in the Service. The Automated Passport System (APS Project) was completed in 2004. The APS system has now been extended to all Missions abroad. More recently, the Irish passport has been further enhanced through the introduction of a biometric feature. The introduction of this new e-passport ensures Ireland's passports are compliant with international standards.

4 Overview of Service

4.1 Introduction

In the following sections we describe the current position of the Passport Service in terms of:

Section	Heading
4.2	Structure
4.3	Applicants Fees
4.4	The Applicants' Process
4.5	Passport Issuing Process

4.2 Structure

The Department of Foreign Affairs advises the Minister for Foreign Affairs, the Ministers of State and the Government on all aspects of foreign policy and co-ordinates Ireland's response to international developments. It also provides advice and support on all issues relevant to the pursuit of peace, partnership and reconciliation in Northern Ireland, and between North and South of the island, and to deepening Ireland's relationship with Britain.

Under the political direction of the Minister for Foreign Affairs, the Department is managed by the Secretary General, who is also the Accounting Officer for its two Votes – Vote 28 (Foreign Affairs) and Vote 29 (Development Cooperation). The Secretary General is supported by a Management Advisory Committee comprising of the Heads of the Divisions in the Department.

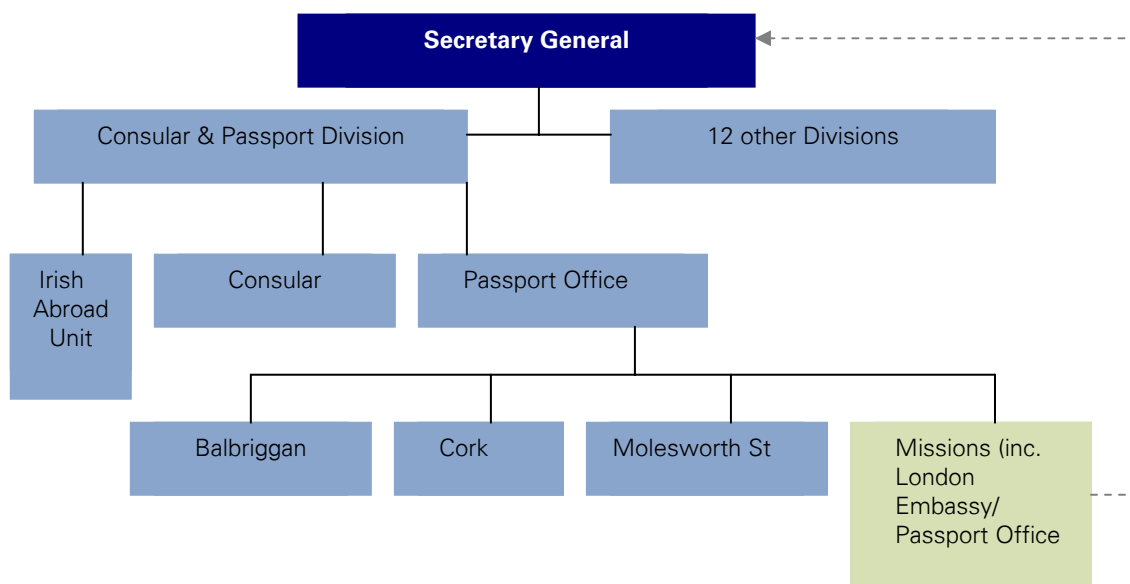
The work of the Department is divided between thirteen Divisions at headquarters (HQ) and a total of 75 diplomatic and consular offices abroad (referred to as "Missions"), as well as the British-Irish Intergovernmental Secretariat in Belfast and the North-South Ministerial Council Joint Secretariat in Armagh.

The Consular and Passport Division is responsible for providing consular assistance to Irish citizens abroad and for passport and visa services. The Passport Service business unit falls under the remit of the Consular and Passport Division. There are three Passport Offices in Ireland, two in Dublin and one in Cork; there is also an Irish Passport Office in London.

In addition to the Passport Offices, there are 75 Missions abroad that provide consular services, including a range of services relating to the legal rights and physical welfare of Irish citizens visiting or resident in other countries. Consular Section also deals with citizenship applications from abroad, issues civil letters of freedom in connection with marriages of Irish citizens abroad and authenticates signatures on public documents for use in other countries.

The figure below illustrates the organisational structure into which the Passport Service fits.

Figure 1: Organisational Structure of the Department and the Passport Service



Source: *The Department (2007)*

Each of the Passport Offices play a different role in relation to the processing of applications and the production of passports. These are summarised in the following table:

Table 1: Tasks Undertaken at each Passport Office

Application Method	Balbriggan	Cork	London	Molesworth Street
Counter Applications		✓	✓	✓
Diplomatic				✓
Missions				✓
NIPX Applications				✓
Official				✓
Ordinary Post Applications		✓	✓	✓
Passport Express Applications	✓	✓	✓	
Special Desk Department Applications				✓
Passport Document Production	✓			✓
Emergency Passport Production	✓*	✓	✓	✓

Please see Appendix 6 for full breakdown of application type by Passport Office.

* Small number, as and if required.

4.3 Applicant Fees

4.3.1 Applicant Fees

Fees for travel documents as provided for in the Diplomatic and Consular Fees (Amendment) Regulations 2005 are set out below.

Table 2: Overview of Applicant Fees

Service	Fee
For the issue of a standard passport, valid for ten years. Available to persons aged 18 to 64 years	€75
For the issue of a large passport, valid for ten years. Available on request to very frequent travellers	€100
For the issue of a passport to children under 3 years of age, valid for three years.	€15
For the issue of a passport to children aged 3 to 17 years of age, valid for five years.	€25
For the issue of a passport to persons aged 65 and over, valid for ten years	Free
For the issue of a European Union Emergency Travel Document, valid for a single journey	€6
Public Counter Urgent Fee Payable, upon proof of urgent travel, for passports required to be issued on the same or next day following application. This fee is in addition to the appropriate passport fee as set out above.	€50 - Adult €25 - Child
Out of Hours Emergency Service Administration Fee This is for the issue of a temporary passport of limited validity by the Department's out of hour's emergency service. Subsequently a fresh application must be made for a regular passport along with payment of the appropriate fee as set out above.	€100 - Adult €50 - Child

Source: Regulations entitled Diplomatic & Consular Fees (Amendment) Regulations 2005

4.3.1.1 Payment

Payment for passport applications can be made via credit card, cheque and bank draft. In addition, cash is accepted at Post Offices (for Postal Express and NIPX applications), in the Passport Offices and at Embassies and Consulates overseas. Persons applying by ordinary post are advised not to submit cash with their applications.

4.4 The Applicants' Process

All Irish citizens are entitled to apply for an Irish passport and, with the exception (currently) of travel to the UK, all Irish citizens require a valid passport to travel to and from all other destinations around the world.

Passport application forms are available from all Garda stations, Post Offices which provide the Passport Express service, many Libraries and Citizens Advice Centres and also from the Passport Offices in Dublin and Cork.

Irish citizens wishing to apply for an Irish passport may do so in four main ways:

- Applications may be made by Passport Express
- Applications may be made by regular post
- Applications may be made in person at a Passport Office, and
- Applications may be made through Irish Missions abroad.

Comparator

In the UK, Passports applications are processed in seven offices across the UK. The UK Government is currently opening up a total of 69 additional new local offices where first time applicants will be required to attend face to face interviews as part of the future passport application process. Passports are then sent by secure post to the applicants.

In the Netherlands, there are 546 municipal offices; citizens must attend in person to one of these offices. The collection of passports must also be done in person (there is no postal dispatch).

In Denmark, there are 150 issuing authorities where citizens must go in person to one of these to apply for a passport. The passport is then distributed to them via ordinary post.

4.4.1 Passport Express Application Process

Applicants using the Passport Express service are guaranteed that their passports will be issued within ten working days, provided that the application form has been properly completed and all necessary documentation is included. A special envelope should be used to send the application to the Passport Office.

The Passport Express service is available from most offices of An Post. The An Post Passport Express processing fee (which includes postage to/from the Passport Office) is €8 for one application, or €13.50 for up to four applications from the same family if made together.

The Passport Express service is also available in Northern Ireland (Northern Ireland Passport Express – NIPX service) and Great Britain, from 70 branches of the UK Post Office in Northern Ireland and Great Britain. This is also a ten day return service.

Passport application forms may also be obtained from these post offices and customers can submit their application through these post offices for a processing fee of £6 (€8.50). This covers express postage to/from the Passport Office.

4.4.2 Regular Post Application Process

Customers who chose to make passport applications via regular post can expect to receive their passport within 4-6 weeks, depending on the time of year.

Passport application forms are available from all Garda stations and from Post Offices that provide the Passport Express service. The completed application form should be sent to either the Passport Office in Dublin or Cork (for Munster region applications).

4.4.3 In Person Application Process

The Passport Offices in Dublin and Cork normally provide a ten day issuing service. Customers can call into either office from 9.30am to 4.30pm, Monday to Friday, to make a passport application in person. The customer will be required to present a correct and complete application form (with

all required supporting documents), and proof of travel e.g. internet booking or travel tickets. Depending on the urgency an additional Urgent Processing fee may be payable.

An emergency service is available outside office hours, which is accessible via a telephone helpline. An administrative fee is charged for this emergency service, as shown in Table 2.

4.4.4 Diplomatic Duty Officer Desk

The Diplomatic Duty Officer Desk in Dublin also provides an out of hours emergency service at the weekends and can produce an emergency passport if required.

4.4.5 Missions Abroad Application Process

Irish citizens living abroad are advised to apply for a passport through their local Mission. This process takes approximately four to six weeks, depending on the time of year.

Irish Embassies and Consulates abroad receive applications locally and transmit approved passport applications electronically to Dublin for final processing and passport production. The passport is returned to the Mission concerned by the diplomatic bag service.

Missions do not issue passports locally, but do retain the authority to issue temporary emergency passports and travel documents where required. The Department provides the Mission with the required scanning and printing equipment. The opening hours of Irish Diplomatic and Consular Missions vary from country to country depending on local practice.

4.4.6 Interview Process

In certain cases, the Passport Service may request an applicant to come into the office for interview if they have queries or concerns in relation to their passport application. These interviews are used to probe any areas of uncertainty and to verify the right of the individual to an Irish passport.

4.4.7 Validity of Passports

The valid period of a passport can vary, as noted below:

- Infants up to age 3 are issued with a 3 year passport
- Children aged 3-17 are issued with a 5 year passport
- Persons aged 18 and over are issued with a 10 year passport
- Emergency passports are valid for one year
- In certain cases (e.g. where a previous passport has been lost or stolen), the Passport Service may restrict the validity of a replacement passport, and
- Official and diplomatic passports are also issued for periods of limited validity.

4.5 Passport Issuing Process

The passport issuing process refers to the process which is undertaken by the Passport Service from the time when they receive an application, through the processing and then on to final outcome, namely approval, refusal or incomplete application.

4.5.1 Background - Automated Passport System

By the late 1990s, the systems for processing applications in the Passport Service were deemed to be in urgent need of replacement. The volume of passport applications had grown to the point where the system was overloaded.

In 1998, the Department commissioned consultants to review the passport system. The consultants recommended that the Department take advantage of new technology to produce a higher quality passport with improved security features, via the adoption of an Automated Passport System (APS).

The same consultants were re-engaged in 2000 to make recommendations regarding the most appropriate technical architecture and implementation approach that would enable the Passport Service to rapidly move to design, build and deploy the new systems, processes and staff structure.

It was recommended that a tailored APS system be introduced, with an estimated overall cost of €3.5 million. The report assumed that passport issues would reach 1,000,000 within 5 years.

In 2001, a project team was established to manage the procurement and implementation of the new APS. In December 2002, through open tender, an evaluation committee appointed a successful bidder (for the sum of €1.8 million) to install the new APS. The final outturn total for the APS project was almost €8 million, a break down of which is shown in the following table.

Table 3: APS Non-Recurring Costs

	Outline Estimate Oct 2000	Estimate on Signing of Main Contract Dec 2002	Outturn Dec 2004
Non-Recurring Costs	€	€	€
Systems costs — hardware software and consulting costs	13,559,000	21,820,000	21,820,000
Contract Price Variation Clause	—	—	754,000
Contract Change Notes	—	—	3,576,000
Other	—	—	907,000
Legal Fees	—	47,000	294,000
External Project Management	—	58,000	423,000
Total	13,559,000	21,925,000	27,774,000

Source: Annual Report of the Comptroller and Auditor General, 2004.

In addition to hardware costs, there is also a range of recurring costs associated with the maintenance of the machines and blank passport booklets, an overview of which is provided in the following table.

Table 4: APS Recurring Costs

	Estimated at Date of Contract	Year One Expenditure	Estimated Future Annual Expenditure
Recurring Costs	€	€	€
Support and Maintenance	1,840,000	3,820,000	3,000,000
Blank Booklets, Datapages and Licence Fees	—	3,700,000	4,760,000
Total	1,840,000	7,520,000	7,760,000

Source: Annual Report of the Comptroller and Auditor General, 2004.

The new automated passport application and production system was installed in the Passport Service in 2004. As shown in the table above, by the end of 2004 the cost of the contract had increased to almost €8 million. These post-tender increases were primarily due to the cost of implementing the system in Cork and London and in other diplomatic Missions abroad, which had not been factored into the original contract.

The APS provides for:

- Electronic data capture
- Verification of entitlement to passport
- Production of passports
- A workflow system to link the component parts, and
- Administrative functions such as management reports, stock control and payments.

The new Irish Passport incorporates advanced security features and gives Ireland a modern and secure passport document.

Comparator

The Automated Passport System adopted by the Irish Passport Service was based on the Dutch passport issuing system, which was seen to be effectively operating for the authorities in the Netherlands. Production in the Netherlands was assigned to the State printing company. This company has since been privatised but retains responsibility for passport production.

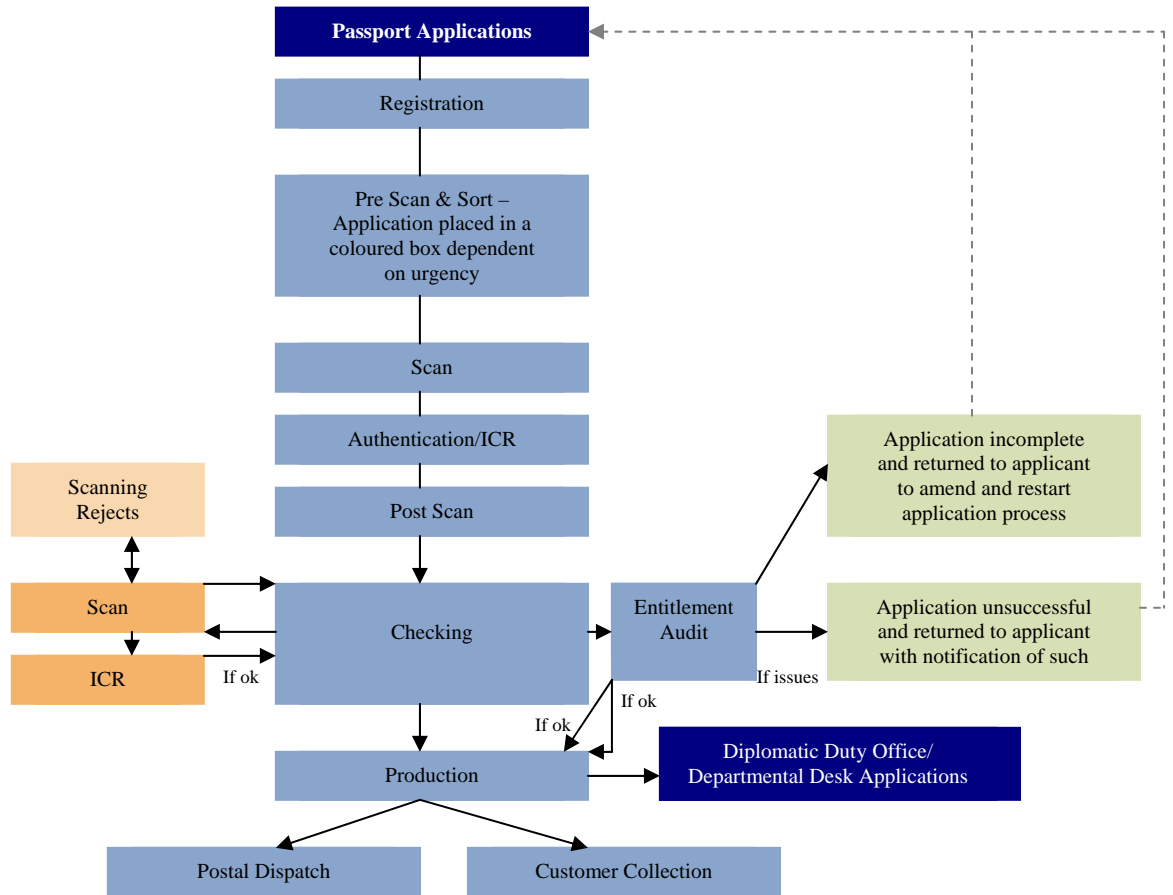
4.5.2 Processing of Passport Applications

The passport process refers to the journey that a passport application makes from the moment it arrives into a Passport Office until it is approved, denied or returned to the applicant for amendments.

Once a passport application has been received by the Passport Office, it is pre-scanned and sorted into boxes (colour coded to denote urgency) by Clerical Officer (CO) staff. The application then goes through a process of scanning, authentication and verification of entitlement. If there are found to be any problems with the application at this stage (e.g. photograph does not meet requirements, information is missing etc), it is returned to the applicant for amendment. If the application is not successful, it will be returned to the applicant with a letter stating the reason for the unsuccessful application. If the application is deemed satisfactory, it progresses towards production. At this pre-production stage, a sample audit is carried out for quality assurance purposes. If problems are detected at this stage the application is sent back for authentication, otherwise the final passport is produced and dispatched to the applicant. This general process is followed in all the Passport Offices. Applicants can now track their passport application online, providing information pertaining to the stage/status of the application at any given time.

The passport issuing process for a “straight forward” application is illustrated in the following diagram. It should be noted that other applications are more complicated, such as those where there are issues relating to entitlement or consent.

Figure 2: Passport Issuing Flow Diagram



For further detail of phases see Appendix 3.

Case Study 1: Example of a straight forward Passport Express application being approved - Balbriggan.

The application for a passport is registered on the system. This is checked against the electronic file from An Post to ensure all applications are received. COs then prepare the forms for scanning and apply a barcode. Staff have to ensure that the photographs are clean and all supporting documents are attached. All documents are scanned into the system. The photograph and the application form then go under an Intelligent Character Recognition (ICR) process and are edited and/or rescanned as appropriate in order to allow the appropriate level of biometric data to be stored in the passports data chip. The applications and supporting documents are then checked for entitlement and quality of photograph. A random audit is also conducted on applications for quality control on the entitlement checking process. The scanned forms and photographs are then sent electronically via the APS to be produced. Delays can occur if there are any technical difficulties. The passports and associated supporting documents are then dispatched to the applicant.

5 Levels and Trends of Outputs

5.1 Introduction

As shown in table below, in the following section we have provided an overview of the level of outputs from the Passport Service and the trend of these outputs over recent years.

Section	Heading
5.2	Passport Service Outputs
5.3	Applications
5.4	Passports Issued
5.5	Fraud Prevention
5.6	Observations and Recommendations

5.2 Passport Service Workload

The Passport Service can be defined as having two main outputs. These are:

- Passport applications which are successful and result in the issuing of passports, and
- Passport applications which are unsuccessful and result in the application being rejected or returned to the applicant for amendments or for the submission of additional documents.

The table below provides a summary overview of the total number of passport applications received, the total number of applications rejected and the total number of passports issued in 2006 and 2007.

Table 5: Summary of Workload of the Irish Passport Service

Output Parameter	2006	2007
No. of Original Applications	625,734	608,782
Application returned to customers for amendment	65,579	90,237
No. of Passports Issued	614,215	609,695
Passports Issued as a % of Original Applications	98.16%	100.15%
Passports issued as a % of Original Applications (excluding emergency/temporary issues)	96.87%	98.7%

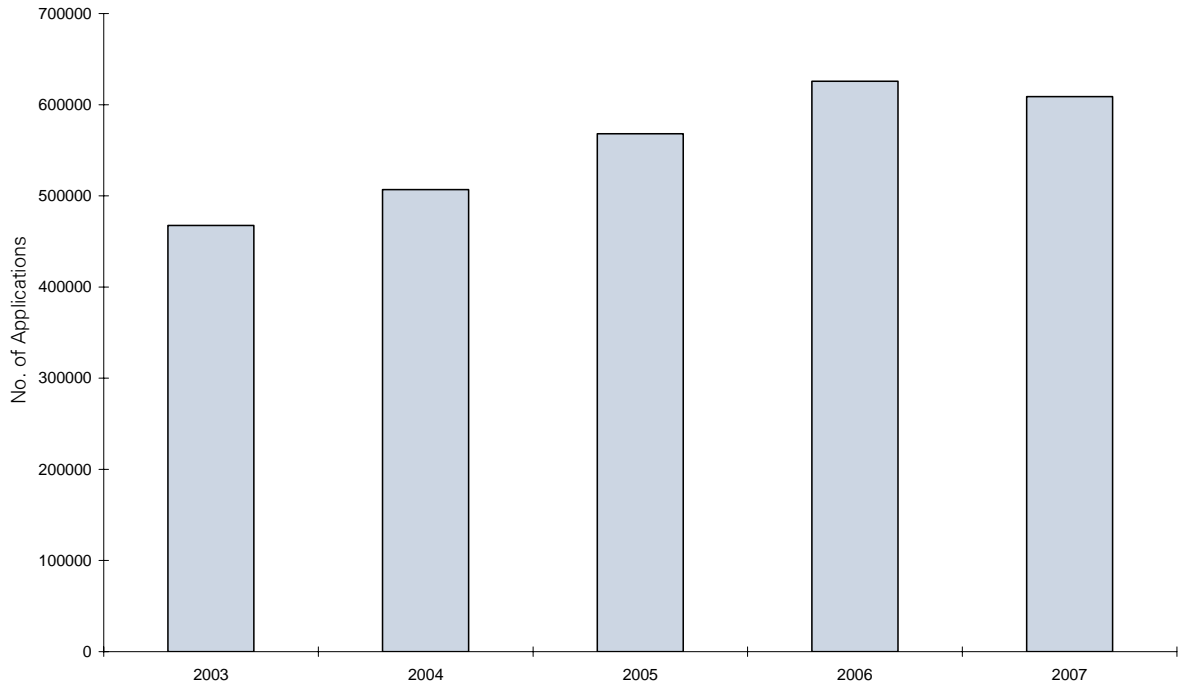
Source: Irish Passport Service 2007

As noted above, 2007 showed an issue rate of 100.15% of applications. This can be attributed to teething problems at the end of 2006 arising from the new photograph criteria associated with the introduction of e-passports. These problems resulted in a higher than normal rejection rate and a backlog of applications. In addition to this, the number of passports issued included Emergency, Contingency, Temporary and Duty Officer passports. The applications for these passports would also have been used to produce full passports. In 2006, these applications totalled to 8,097, whilst in 2007 they amounted to 8,819. When Emergency, Contingency, and Temporary passports are excluded, this gives issues of 606,118 in 2006 (96.87% of original applications) and 600,876 in 2007 (98.7% of original applications).

5.3 Applications

As can be seen in the following figure, the number of applications for Irish Passports has been rising substantially from 481,966 in 2003 to 608,782 in 2007, a 26% increase. The following chart also shows the level of applications from 2003 to 2007.

Figure 3: Passport Applications



Source: Passport Service 2007

In 2006, a total of 625,734 applications were received. These came from a number of sources. The following table sets out the total number of applications received in 2006 across each of the Passport Offices.

Table 6: Total Number of Passport Applications by Type and Office 2006

Application Method	Balbriggan	Cork	London	Molesworth Street	Total
Counter Applications	-	26,300	15,144	49,412	90,856
Counter Temporary Applications	-	6,531	1,886	7,898	16,315
Diplomatic	-	-	-	465	465
Drop Box Applications	-	485	12	9,471	9,968
NIPX Applications	-	-	506	30,221	30,727
Official	-	-	-	1,588	1,588
Ordinary Post Applications	18,332	6,119	31,206	10,177	65,834
Passport Express Applications	267,499	79,082	3,778	8,354	358,713
Registered Post Applications	3,037	-	-	-	3,037
Special Desk Dept Applications	-	-	-	7,547	7,547
Missions	-	-	-	40,684	40,684
Total	288,868	118,517	52,532	165,817	625,734
% Applications	46%	19%	8%	27%	100%

Source: The Department (2007)

* Molesworth Street produces the passports for the Missions.

As shown in Table 6, Passport Express applications are the most common form of applications received in the Balbriggan and Cork Offices, and accounted for 57% of the total applications received in 2006. In the London Passport Office, the most common form of application is via ordinary post. Whilst the Molesworth Street Office receives a greater diversity of applications, it also receives the largest number of counter applications. In 2006 57,000 (35%) of the applications processed in Molesworth Street were received at the counter. Molesworth Street also processes significant amounts of NIPX, ordinary post and Mission applications.

Observation

The use of the Passport Express service and the Northern Ireland Passport Express (NIPX) service has been gradually increasing over the last number of years. The Passport Express Service and NIPX are efficient modes for passport applications and it is a positive development that such applications are increasing. Going forward the Passport Service should encourage this method of application in order to further enhance efficiency.

5.3.1 Unsuccessful Applications

In addition to the 625,734 original applications processed in 2006, a further 65,579 applications were also processed that had previously been returned to the applicant for amendment and/or re-submission. Tables 7 and 8 provide detail around the level of passport applications which were returned to the applicant in 2006 and resubmitted. In 2007, 90,237 applications were returned to the applicant, which equates to 14.82% of applications received. The quality of the applications which are received has an impact on the productivity within the Passport Service. The increase in numbers of applications returned from 2006 to 2007 was, in the main, due to the new photograph requirements arising from the introduction of biometric passports in 2006.

Table 7: Returned Applications 2006

Application Method	Balbriggan	Cork	London	Molesworth Street	Total
Counter Returns	-	1,920	364	2,712	4,996
Diplomatic Returns	-	-	-	4	4
Drop Box Returns	-	-	-	12	12
NIPX Returns	6	-	100	3,041	3,147
Ordinary Post Returns	4,170	1,151	5,943	1,821	13,085
Passport Express Returns	30,924	13,378	-	18	44,320
Registered Post Returns	3	-	1	-	4
Special Desk Dpt Returns	-	-	-	11	11
Total	35,103	16,449	6,408	7,619	65,579
%	54%	25%	10%	11%	100%

Source: The Department (2007).

Table 8: % Returns to Applications 2006

Application Method	Total Applications	Total Returns	% Returns to Applications
Counter	107,171	4,996	4.66
Diplomatic	2,053	4	0.19
Drop Box	9,968	12	0.12
NIPX	30,727	3,147	10.24
Ordinary Post	65,834	13,085	19.88
Passport Express	358,713	44,320	12.36
Registered Post	3,037	4	0.13
Special Desk Dpt & Missions	48,231	11	0.15
Total	625,734	65,579	10.48

Source: The Department (2007).

5.3.2 Reasons for Unsuccessful Applications

Applications can be rejected for a number of reasons such as incorrectly completed forms, unsuitable photographs or citizenship issues. As shown in the following chart, a large number of these are re-processed by the Passport Service as returns. In 2006, a total of 65,579 returned applications were processed.

Table 9: Reasons for the Return of Applications (2006 and 2007)

	2006	2007
Reason	%	%
Photograph and Biometric Issues	38.3	56.8
Birth Certificate Issues	20.3	14.3
Marriage Certificate Issues	9.6	7.6
Citizenship Issue	8.7	6.1
Witness Issue	8.3	4.9
Consent Issue	6.5	3.8
Signature Issue	2.2	1.4
Payment Issue	0.3	0.2
Other	5.8	4.9
Total	100	100

Source: The Department (2007)

As shown in the table above, the primary reason for unsuccessful applications was related to problems with the applicant's passport photograph (e.g. wrong position, lighting etc). Issues in relation to birth certificates were the next most common factors in unsuccessful applications in 2006 and 2007. By way of example, this included birth certificates not being included with the application, long-form birth certificates not being included or photocopies submitted instead of original documents.

Difficulties often arise due to applicants being unaware of how to complete the application form, the necessary documentation required, the signatures required or the quality of the photograph required. If applicants use the Passport Express or NIPX service, Post Office staff will briefly check the application form to ensure that all sections of the form are completed and signed where appropriate.

It is noted that in the last three months of 2007, there was a reduction in the level of returns as a percentage of applications for photograph rejections. During this three month period, returns as a percentage of applications arising from photograph rejections stood at 6.2%, which shows that there has been an improvement in this area.

Case Study 2: Example of a Rejection of a Postal Application – Cork

A postal application is received by Cork Office and is registered on the system at 9.45 am. It is then pre-scanned by CO staff and then scanned. In order to confirm entitlement, CO staff then check both scanned and hard copy applications and certificates. Missing certificates are the most common reason for rejection of postal applications. If certificates or other details are missing, the application is rejected and the CO prints a rejection letter. The total time spent processing such an application is in the region of 20 minutes.

Comparator

In the Netherlands, the passport authorities have compiled a database of all the key official documentation from a number of other countries so that staff can quickly bring up on screen an example for verification purposes. For example, if staff receive an Indian birth certificate, they can access a database which will bring up what an official Indian birth certificate should look like and what authorisation/validation marks it should have. This system has proved to enhance efficiency and security within the Dutch passport system and speed up the process of document validation.

Furthermore, with the introduction of the biometric data chips in passport documents, the Passport Service in the Netherlands undertook a substantial marketing exercise and produced a wide range of literature demonstrating the exact requirements of a passport photograph.

The Passport Service undertook some marketing exercises with local chemist shops who often provide passport photographs. Anecdotal evidence suggests that this did help to reduce the number of unsuccessful counter applications. It is understood that the rate of photo rejections has fallen since the first half of 2007. However, to have a greater impact on postal applications, literature and guidelines should be made widely available in post offices and other organisations that could influence the application process, such as Travel Agents.

Observation

The Passport Service should consider a marketing exercise similar to that undertaken by the Netherlands in order to reduce the number of returned applications and re-processed applications due to sub-standard or non-compliant photographs (See Recommendation 2).

5.3.3 Total number of Applications Processed

In order to accurately reflect the total workload of the Passport Service, it is important to identify all applications and not just passports issued. In 2006, the total workload of the Service consisted of:

- Applications processed on first attempt – 625,734
- Re-submitted applications that had previously been partially processed then returned to customers for amendment – 65,579, and
- Rejected Applications (due to non-entitlement) – 11,513.

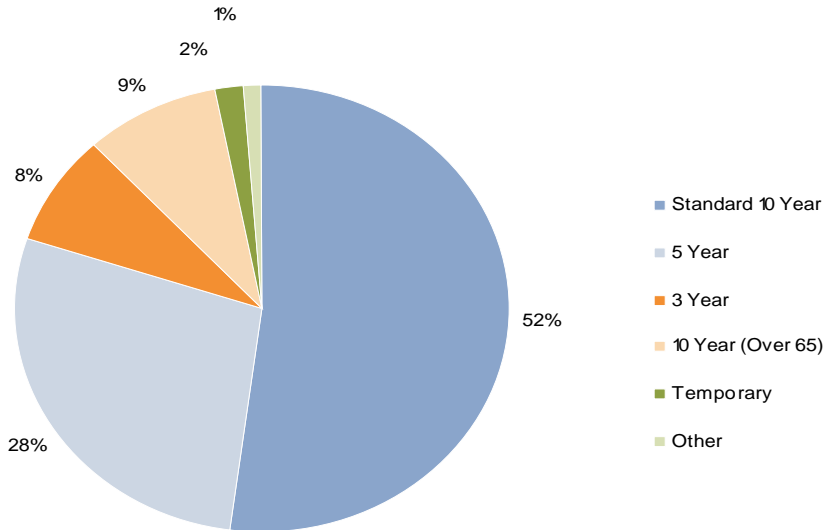
Therefore, in total, the Passport Service processed 691,313 applications in 2006 and 699,019 in 2007. In addition to this, more than 50,000 of these applications had to be re-scanned by the Passport Offices to improve the visual quality of the application.

5.4 Passports Issued

5.4.1 Successful Applications

Of the 614,215 passports issued in 2006, the most common type was the standard ten year passport. The following chart illustrates the types of passports issued by office.

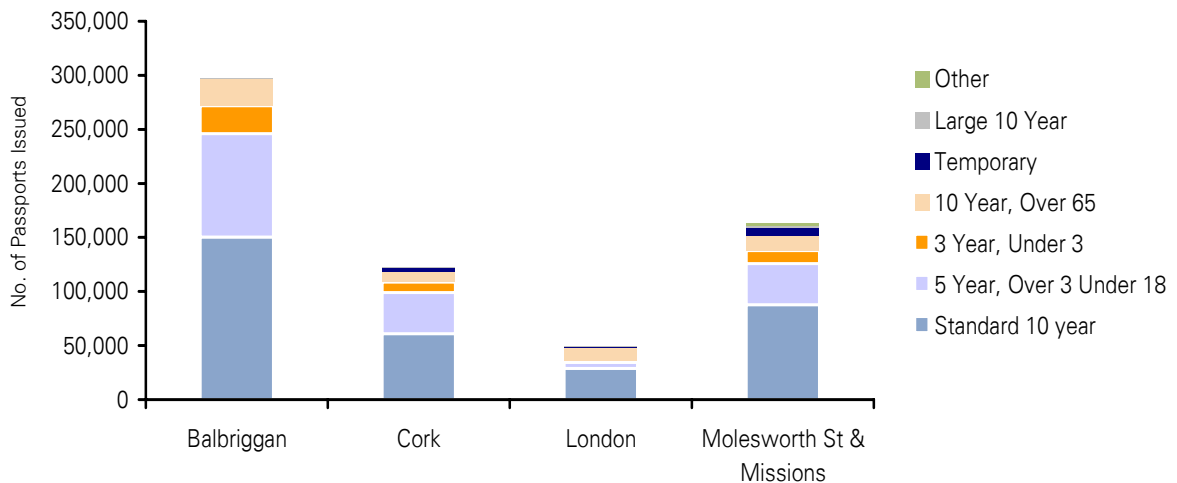
Figure 4: Types of Passports Issued in 2006



Source: The Department (2007).

The following chart shows that the Balbriggan Office currently issues the greatest number of passports (47% of all applications); the Molesworth Street Office (including for the Missions abroad - 28%), and then the Cork Office (19%). The Passport Office in London issues the lowest volume of passports of the four offices (8%).⁵

Figure 5: Total Number of Irish Passports Issued by Type and Office (2006)



Source: The Department (2007)

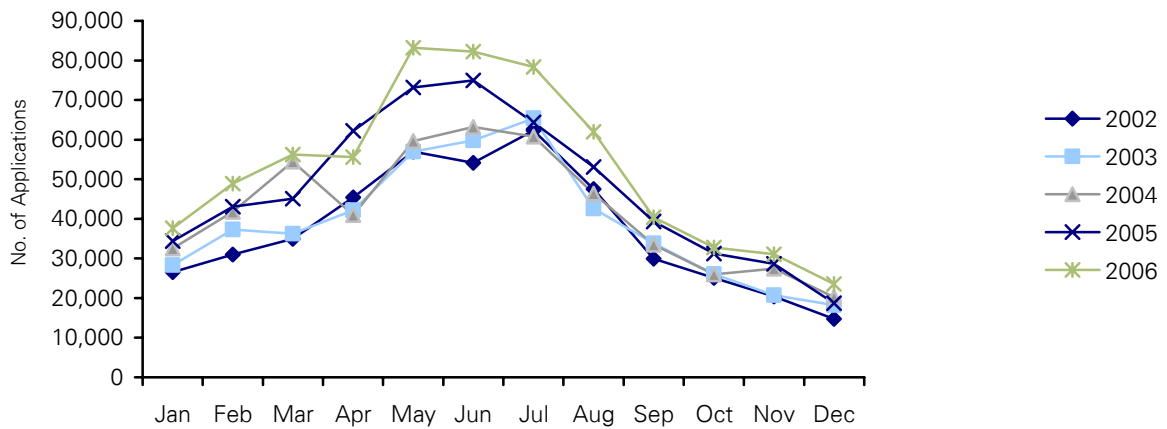
⁵ Whilst each of the four offices process applications, passport documents are produced in the Balbriggan and Molesworth Street Offices only.

Comparator				
In 2006 the UK Passport Service issued approximately 7,000,000 passports. The Netherlands issued 1,790,026 and Denmark issued 650,000, this is in comparison with 614,215 passports issued during the same year in Ireland. Therefore the number of passports issued in Ireland and Denmark was very similar.				
	Ireland	UK	Netherlands	Denmark
Total Number of Passports Issued Annually (2006)	614,215	7,000,000	1,790,026	650,000
Population*	5,819,386	60,776,238	16,570,613	5,468,120
Passports issued per head	0.105	0.115	0.108	0.118
Annualised Passport Cost €s**	7.50	9.80	9.40	8.00

*July 2007 Estimates
**Passport Cost/Length of Validity

The following charts illustrate the trend of applications received and passports issued into the Passport Service from 2002-2006. During the peak month of June applications have increased from approximately 55,000 in 2002 to approximately 75,000 in 2006, an increase of 36%.

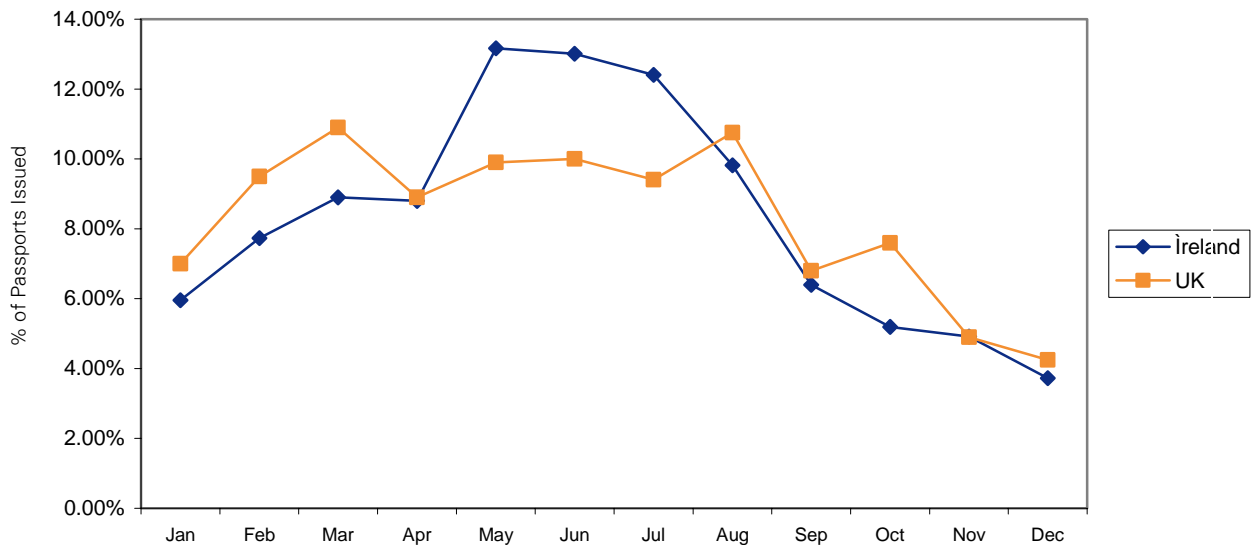
Figure 6: Total Number of Applications to Irish Passport Offices in Dublin (Balbriggan and Molesworth Street) and Cork, by Month (2002-2006)



Source: The Department (2007)

As can be seen in the chart above, the Passport Service experiences a peak in demand during the summer months. During this peak there are around three times more applications than during the quiet periods in the winter.

Figure 7: Percentage of Irish and UK Passports Issued by Month (2006)



Source: The Department (2007)

The Irish Passport Service issues the greatest number of passports throughout the summer months. The peaks in demand arise around May, June, July and August. These peaks in demand are also experienced in the UK, but are flatter than those experienced by the Irish Passport Service because the applications are spread more evenly across the year.

The summer surge in demand has a significant impact on the Irish Passport Service and has, in the past, resulted in the requirement for additional staff and significant levels of overtime. With appropriate planning however, this predictable trend in enhanced demand at such a time should be manageable. However, it is important to note that whilst demand management can make a significant impact on the peaks in the demand, a flat demand curve is unlikely to be achievable due to the seasonality of the need for passports. This in turn is likely to give rise to the continued need for some level of temporary staff.

Marketing and awareness raising are key activities which can have a positive impact on demand trends. Citizens need to be aware of the requirement to apply early for a passport in order to prevent last minute, rushed applications during peak season.

Comparator

As shown in the chart above, it is evident that the UK Passport Service experiences a similar demand trend, with a peak during the summer months. Recently, the UK Passport Service has launched a major awareness raising campaign to inform and encourage people to apply for their passports early. This campaign has included advertisements on billboards, radio and the internet.

5.4.2 Outputs – Production

The Automated Passport System (APS) was introduced in Ireland in order to provide machine readable passports with enhanced security features and to cope with the increase in demand. The APS was chosen following a review which indicated that its use in the Netherlands was efficient and reliable. Three APS machines were installed: two in Balbriggan and one in Molesworth Street. At the time, it was estimated that the APS could process up to one million documents a year. The

following table provides an overview of the current level of processing in Balbriggan and Molesworth Street compared to that of the Netherlands who use the same system.

Table 10: Production Output per APS Machine (2006)

Site	Documents Issued per annum	Number of machines	Issues per machine per annum
Balbriggan	454,519	2	227,259
Molesworth Street	159,696	1	159,696
Ireland Total	614,215	3	204,738
Netherlands	1,790,026	5	358,005

Source: The Department and the Netherlands Passport Service

The table above highlights that the annual production level per machine in Balbriggan and Molesworth Street is less than that of the Netherlands. The machines in Balbriggan and Molesworth Street only run at full capacity during the summer period (approx. May, June, July).

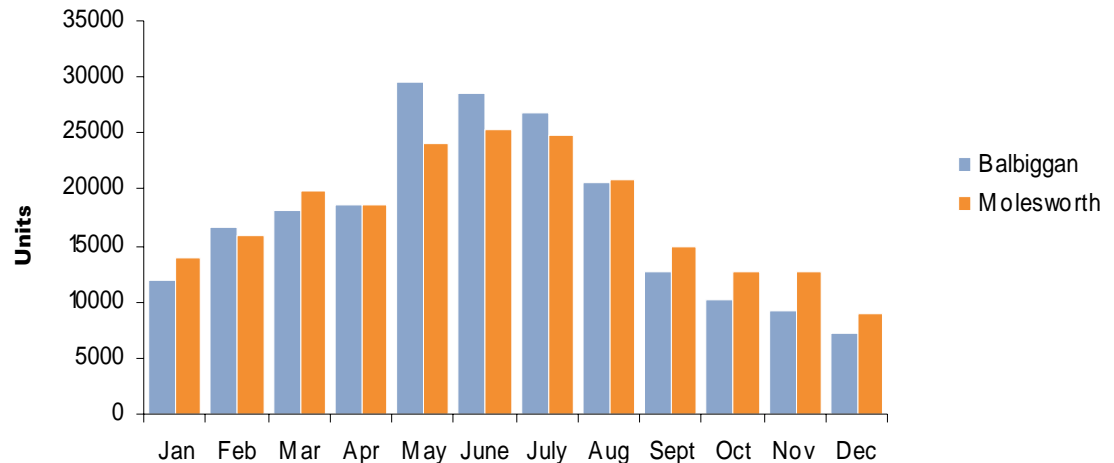
Each machine is capable of producing a maximum of 135 passports per hour, which over a normal working week (7.5 hours for 5 days) equates to an output of approximately 5,000 passports per week. It is noted that in the summer period, production levels per machine have recorded outputs of 7,649 in Balbriggan, and 5,507 in Molesworth Street, facilitated by the use of overtime. Excluding the summer period, the average level of production per machine is 3,500 which is substantially below capacity.

Balbriggan is the main production facility. Molesworth Street also produces a significant level of standard passports, however, it also produces non-standard passports such as diplomatic and official passports. This non-standard production requires smaller processing batches than the standard batch of 100. This impacts on Molesworth Street's ability to maximise efficient production, as illustrated in Figure 8 below.

It is evident that the APS machines are under utilised for around nine months of the year. As discussed in Recommendations 3 and 11, it is important for the Passport Service to spread demand more evenly throughout the year. The Service should also consider undertaking a cost benefit analysis of the most efficient method of producing passports before the end of the useful life of the current APS hardware.

The chart below highlights the number of passports that are issued by each APS machine in both Balbriggan and Molesworth Street.

Figure 8: **Production Output by APS Machine per Month (2006)**



Source: The Department (2007)

As discussed elsewhere in this report, there are a number of factors that have the potential to increase the demand on the Passport Service, and it is important that there is sufficient capacity to cope with increased workloads. It is also worth noting that there is the need to be able to match the demand for production arising during the peak periods. Whilst it would appear that there is some excess capacity in the Molesworth Street production facility, it is also used as a back-up facility in the event of a period of significant down time in Balbriggan

5.5 Fraud

5.5.1 Instances of Fraud

The Passport Service monitors instances of suspected fraud. Generally speaking, there are three types of fraud in relation to passports:

- Passports being used fraudulently
- Passports being obtained fraudulently, and
- Passports being mutilated or altered.

If fraud is suspected at any stage of the application process, a member of the audit and fraud team is notified and the applicant is called in for interview. A report is also given to An Garda Síochána. If the applicant is seen to already hold a passport, that passport is put on the stop list.

The Passports Act 2008 will strengthen efforts to combat passport fraud by providing for a range of passport-specific offences. Maximum penalties range between 5 and 10 years imprisonment and/or a substantial fine.

5.5.2 Fraud Prevention

The passport document itself has become more secure with the inclusion of a biometric chip and additional security features, and it has become more difficult to produce fraudulently or to corrupt. This places increased importance on validating and checking documents at the application stage. Documents are currently checked at three stages of the application process: pre-scanning, scanning,

and post-scanning. In addition, random audit checks are conducted on applications immediately before they are sent for production.

5.6 Observations and Recommendations

5.6.1 Applications

The level of passport applications has risen to 691,313 (original and returned) in 2006, an increase of 209,347 (45%) applications since 2003. As would be expected, the Balbriggan Office processed the most applications at 46% of all passport applications. Over 90% of applications processed by Balbriggan are submitted through Passport Express. The Passport Express (PX) service is an efficient mode of application for the Service to process and should be encouraged as the preferred method of application.

Changes to the legislative and policy context have the potential to increase the complexity of processing applications and add to the workload of the Service in terms of responding to queries from the appeals officers. The volume of extra workload will depend on a number of factors, most notably the public's reaction and the success rate of appeals.

As will be discussed in following sections, the future demand on the Passport Service is also likely to increase as the population increases and, as previously noted, international regulations regarding passport documents are tightened.

Recommendation 1

In order to manage the level of demand and improve processing efficiency, the Passport Service should further promote Passport Express and NIPX as the preferred method of application. The UK Identity and Passport Service has successfully done this through advertising campaigns and working directly with travel agents and the Post Office. The Irish Passport Service should consider a similar approach.

Recommendation 2

To emphasise the various requirements of the application process, for example photographs, the Passport Service should develop a public awareness campaign, including targeting the Post Office and Travel Agents.

5.6.2 Passports Issued

Of the 691,313 (original and returned) applications in 2006, 65,579 had previously been processed and returned to the applicant due to issues such as incorrect supporting documentation, the absence of signatures, or unsuitable photographs. This level of re-processing adds considerably to the workload of the Passport Service staff

Of the 614,215 passports issued in 2006, 52% were standard adult 10 year passports, and 36% were for children (0-18 years). The Service experiences peaks in demand from May to August. Similar to the UK, the peak season is predictable and the Service has traditionally made use of temporary staff to cope with the rise in demand during this time. The annual rate of passports issued is similar to that of Denmark. In Ireland, approximately 70% of the population (North and South) hold an Irish passport.

Recommendation 3

The Passport Service should investigate ways in which to spread demand more evenly over the year (examples could include enhanced advertising).

6 People

6.1 Introduction

In this section of the report we cover the following:

Section	Heading
6.2	Resources
6.3	Staff Costs
6.4	Absence due to sick leave
6.5	Performance Management
6.6	Observations and Recommendations

6.2 Resources

The Passport Service currently has a staffing complement of 487 Full-Time Equivalent (FTE) staff across its four office locations. The detailed breakdown of these staff by office, grade and staff mix is illustrated in the table below.

Table 11: Staff by Office (N=(%)) (2007)⁶

	Molesworth		Balbriggan		Cork		London		Total	
Counsellor	0.25	0.17%	0.25	0.14%	0.25	0.21%	0.25	0.56%	1	0.21%
AP	1	0.70%	1	0.55%	1	0.85%	0	0%	3	0.62%
HEO	5	3.49%	5	2.74%	2	1.71%	1	2.26%	13	2.67%
EO/SO	18	12.57%	19	10.43%	13	11.09%	5	11.30%	55	11.29%
CO	87	60.73%	100	54.87%	71	60.55%	13	29.38%	271	55.65%
TCO	32	22.34%	57	31.28%	30	25.59%	25	56.50%	144	29.57%
Total	143.25	100%	182.25	100%	117.25	100%	44.25	100%	487	100%

Source: The Department, (2007)

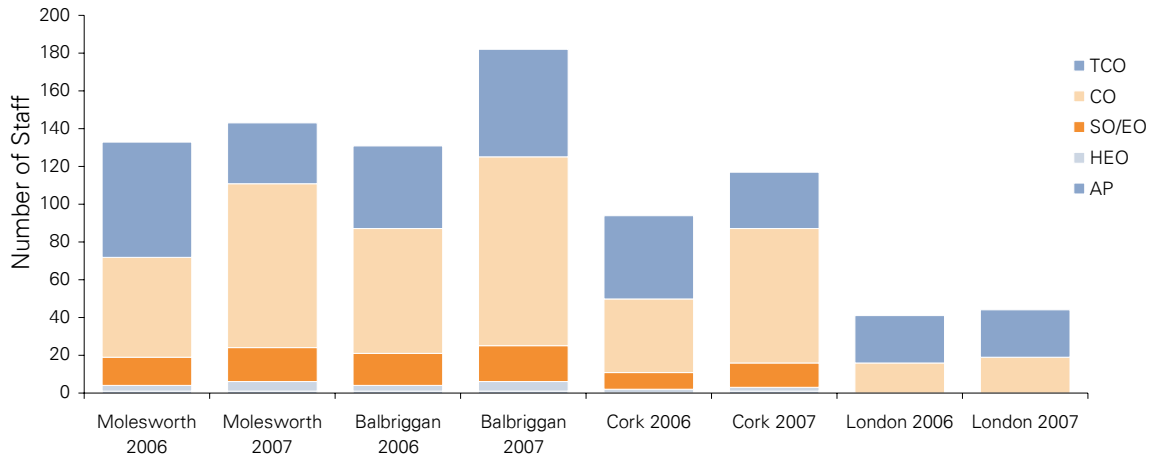
The staffing profiles of each of the offices has changed in recent times, with a sanctioned increase in the level of permanent Clerical Officer (CO) grade staff being appointed to reduce the need for Temporary Clerical Officer (TCO) grade staff. Currently, 21 of the above posts are vacant

Even with the agreed increase of COs, the use of TCO staff is still relatively high at 29.57% of the total staffing complement, although this is a substantial reduction since the introduction of the sanctioned increase. In 2006, of the total complement of 432 staff, 207 were TCO grades, equating to 47.9% of the staff. It is worthy of note that, for 2008, it has been agreed that a total of 49 FTE TCOs will be used across Molesworth, Cork and Balbriggan, with a further 21 FTE TCO staff being used in London, representing a decrease of 74 FTE staff on 2007.

The following chart depicts the staffing levels across each of the offices for the years 2006 and 2007. For the London Office, only the breakdown between permanent and temporary staff was available.

⁶ Passport Service staff have informed KPMG that, currently, 21 posts remain vacant: 2 HEO and 19 CO posts.

Figure 9: Irish Passport Office Staff by Grade and Office (2006-2007)



Source: The Department (2007)

The chart shows the increase in permanent staff and a shift away from temporary staff in each office from 2006 to 2007.

Observation

In considering the following impacting factors on demand - Passport Act (2008) Waiver for over 65s and the Customer Charter - it will be essential for the Passport Service to review potential efficiencies in processes, in order to manage the anticipated increase in demand, whilst ensuring that there is not a significant increased requirement in staffing levels.

6.2.1 Seasonal Staff

Within the Passport Service the most frequent recruitment is for staff to cover seasonal peaks. This is done through the use of Clerical Officers (CO) and Temporary Clerical Officers (TCO). During 2006 and 2007, the Passport Office undertook a significant level of recruitment of permanent COs following an increase in the levels of staff sanctioned from the Department of Finance. The increase in the number of COs since 2006 is intended to help the Passport Service to reduce the requirement for TCOs, and it is hoped that this will also help to reduce the levels of overtime within the permanent staff once fully established.

The increases in permanent staffing in 2007 from 2006 are as follows for each of the Passport Offices:

Table 12: Staff increases by Passport Office (2006-2007)

	Molesworth	Balbriggan	Cork	London	Total
AP	-	0	1	-	1
HEO	3	3	-	-	6
EO/SO	3	4	4	2	13
CO	35	40	34	12	121
Total increase	41	47	39	14	141

Source: The Department Passport Office Staff (2007)

It is noted that, of the sanctioned increases in staff, not all are in post as at December 2007. These vacancies are as follows:

- Molesworth Street – 1 HEO and 8.5 COs
- Balbriggan – 5.5 COs
- Cork – 1 HEO and 3 COs
- London – 2 COs.

TCOs have been used traditionally within the Passport Service as a method of servicing the peak demand season for passports from March to October. The Passport Service has seen a shift in its demand profile with the peak season starting earlier each year, and this has placed pressure on the individual offices to have their complement of TCO staff in place and trained for the peak season.

Passport Service staff are recruited in accordance with the Department's usual recruitment policies and procedures. The Passport Service notifies the Department's HR team as and when they need to recruit permanent and temporary staff. Although the recruitment of TCO staff mostly comes from a panel of staff who have previously worked in the Passport Service it has been necessary also to run recruitment competitions. These are advertised in local media and interviews are conducted by Passport Office staff. It can take up to four weeks to have staff in place. These staff can then be brought in when they are needed to be in place and trained before the start of the busy period.

Comparator

In the UK Identity and Passport Service (UKIPS), there are no temporary staff. Permanent staff are recruited on compressed contracts through a part-year contract for 8 to 9 months of the year, which helps the UKIPS to be reactive to the staffing needs when they arrive. Furthermore, UKIPS find that it is efficient as there are no annual recruitment costs involved.

Observation

Following the recruitment of the additional permanent staff, the Passport Service should keep its use of TCOs under review in order to gauge the continued requirement for temporary staff.

6.2.2 Training

Once recruited, all staff need to be trained to undertake their duties, which include pre-scanning, scanning, checking, fraud checks etc. Although broadly similar across offices, there is no standardised approach to staff training. Each office acts independently and has autonomy in their training approach. In each of the offices, the training usually contains a mix of theoretical and on-the-job training with live applications. During their training period, the work of these staff will be subject to a high level of internal review.

Comparator

The UKIPS have a centralised training function, which ensures that all staff are trained to the same standards on induction, and carry out any further required training.

Observation

The Irish Passport Service currently does not have a standardised training approach across their offices, and training is organised in house by each office. For example, within the Cork Office, the training takes place over a 4 week period, with week one covering modules of entitlement, biometrics, ICR, and checking using "live" applications. During week 2, work is allocated to trainees and checked by trainers before approval or rejection. Weeks 3 and 4 entail "on the floor" supervision, with high levels of audit of the trainees' work.

A further issue which should be considered by the Passport Service is the level of training provided for TCO staff. Many of the TCOs return each year to the same office and, therefore, full induction training would not be required each year. However, the Service should consider providing standardised refresher training courses for returning TCOs.

6.3 Staff Costs

The table below shows the staffing costs of the Passport Service across each office from 2003 – 2007. These costs have been extracted from the Department’s payroll system. There is a slight variation in the figures from the payroll system compared to those presented overall by the Passport Service; this is due to social welfare items.

Table 13: Staff Costs per Passport Office (including overtime, 2004-2007)

	2004	2005	2006	2007
Salaries and Wages	€	€	€	€
Molesworth St	6,871,498	**9,531,786	4,519,769	4,931,018
Balbriggan	196,083	-	4,717,107	5,918,538
Cork	1,973,959	2,500,047	2,977,409	3,405,823
London	1,667,033	2,141,124	1,825,887	2,141,985
Missions*	1,667,033	2,141,124	1,825,887	1,917,182
Total	12,375,605	16,314,081	15,866,059	18,314,546
Number of applications	586,889	648,228	691,313	699,019
€/application	21.09	25.17	22.95	26.20
Number of Issues	550,000	569,475	614,215	609,695
€/Issue	22.50	28.65	25.83	30.04

Source: The Department (2007)

* Staff cost for the missions are assumed to be proportionate to the London office costs⁷.

** No breakdown between the costs of Balbriggan and Molesworth Street was available

From the table above the trend of staff costs across the offices can be noted. It is important to note that the Balbriggan Office became operational in late 2004 and thus a full year of costs was not recorded. Since 2005, the overall staff cost of the Passport Offices remained relatively constant. However, in 2007 a staff cost increase of 15% was recorded over 2006, which can be attributed to the introduction of the additional permanent staff. The above table also shows that from 2003 to 2007, staff costs increased by 39%, whilst the number of passports issued increased by 16% over the same period. In addition, the overall cost per issue has increased by 19% since 2003.

6.3.1 Overtime

An analysis was conducted of the staff payments made between 2004 and 2007 across each of the offices. As shown in the following table, the level of overtime in the individual offices decreased from 2005 to 2006, but, increased again in 2007. This has occurred despite the increase of permanent CO staff, which was aimed at reducing the levels of overtime and the pressures on the Service. Teething problems associated with the introduction of more stringent requirements for photographs for passports led to a high rate of rejection of applications and a consequent increase in the level of overtime (as discussed in Section 5). In addition, not all the additional staff were in-post or trained in time to deal with the busy period.

⁷ The Department has equated staff costs for the Missions to that of the London Passport Office on the basis of comparable activity.

Table 14: Overtime Costs per Office from 2004 to 2007 (€)

	Molesworth	Balbriggan	Cork	London	Overall
2004	322,965	3,033	168,261	*	494,259
2005	575,121	494,261	412,037	34,268	1,515,687
2006	475,461	450,904	366,987	35,815	1,329,167
2007	513,187	674,135	314,606	18,058	1,519,986

Source: The Department (2007)

*Not available.

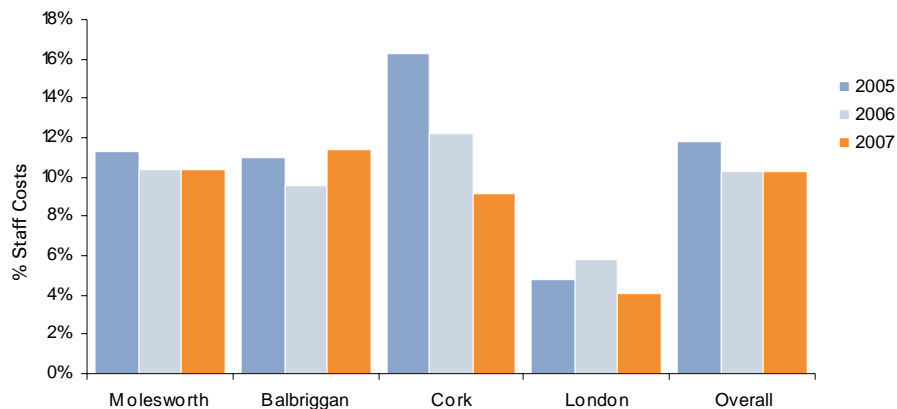
Overtime has increased across the Service by 208% from 2004 to 2007. It was also noted that as a percentage of staff costs, overtime decreased from 11.8% in 2005 to 10.3% in 2007. As will be discussed in the following sections, the level of demand on the Passport Service is set to increase in the future. In addition to this, recent policy and legislative changes have increased the complexity of some applications, all of which increases the work load of staff.

Observation

If the Passport Service is to continue delivering the current level of customer service without increasing the number of staff, it should undertake a detailed review of procedures in order to identify areas where efficiencies could be made.

The following figure shows the level of overtime between 2005 and 2007 across each of the offices.

Figure 10: Overtime by Office as a % of Total Staff Costs



Source: The Department (2007)

The chart above shows the trend by office for 2005-2007. The chart shows that despite the increase in the numbers of permanent CO staff, overtime as a percentage of staff costs is still significant in the Passport Service. The Cork Office has, however, shown a decrease in the level of overtime across the period. The Passport Service anticipates that, once the CO staff have bedded into their positions in each of the offices and the public are more aware of the standards required of the photograph, the level of overtime will be reduced.

Observation

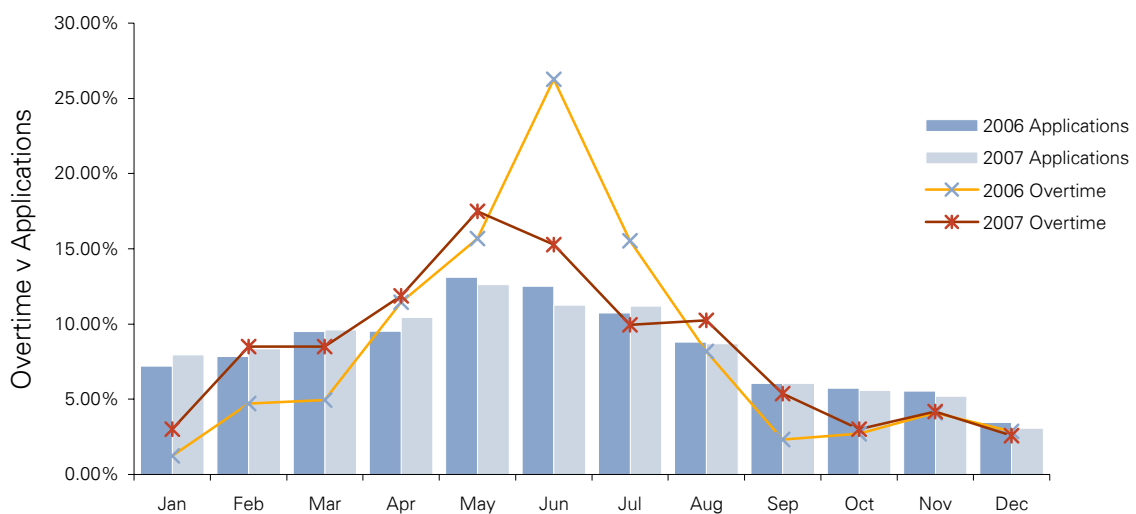
Going forward, the Passport Service should keep the level of overtime under review. Key issues to be noted would include: the identification of overtime triggers, can it be predicted and, therefore, avoided?

Comparator

The UKIPS do not engage or pay overtime. This is partly due to the compressed contracts and an indication from the UK Passport Service that it is proportionately higher staffed than the Irish Passport Service.

The figure below shows the monthly profile of passport applications and overtime payments for 2006 and 2007.

Figure 11: Percentage of Overtime Payments in 2006/07 vs Applications 2006/07



Source: The Department (2007)

The trend suggests that the seasonal peaks for overtime coincide with the periods of peak service demand. The peak months are those of May through to August. It is noted that the overtime payments for 2007 show a flatter monthly peak in 2007 than in 2006. It is recognised that in the peak months the level of sickness is also higher than that in the winter months. The Passport Service have recognised that there are still high levels of overtime being incurred despite the increases in the levels of permanent CO staff. It would appear from the figure that the additional staff did not have an impact on the levels of overtime in 2007. This is due, in part, to the fact that not all new permanent CO staff are in post. This is an area that the Passport Service should keep under close review.

6.3.2 Staff Motivation and Incentives

In recognition of the increased volume of work and its complexity and given the high levels of staff absence (compared to the Department as a whole), the Passport Service may benefit from implementing a staff incentives scheme to recognise individuals or teams that have been performing particularly well.

This technique is often used in the private sector to great effect. The Royal Mail, for example, which had very high sickness and absence rates, introduced the offer of a car as a prize to staff with zero absence. As a result, staff sickness was cut by 18% between March 2005 and March 2006. Whilst this may be an extreme example of an incentives scheme, it demonstrates the potential impact of such schemes.

Comparator

The UKIPS has an annual celebrating success award. Management nominates individuals or teams, and the successful candidate is awarded a prize. Results are also published in the staff magazine.

Observation

The Passport Service should consider the range of reward or incentives schemes that would be suitable for them and to work with the Department and Unions to implement such a scheme.

6.4 Absence Due to Sick Leave

Within the Passport Service, as within any organisation, levels of staff sickness can be an issue. Within the Department and the Passport Service, the sickness information for the year 2007 is not yet available. Days lost due to sickness in 2006 are noted in the following table.

Table 15: Sick Days per Employee (2006)

	Department	Balbriggan	Molesworth Street	Cork	Irish Passport Service	UK Passport Service
No. of sick days per employee	6.93	8.19	11.18	7.35	8.9	10.07

Sources: The Department (2007) and UK Identity and Passport Service Annual Report (2006)

The number of sick days per employee within the Department as a whole in 2006 was 6.93. From the table above, each of the Passport Offices recorded levels of sickness higher than that of the Department as a whole. Molesworth Street had the highest level of sickness per employee at 11.18 with the Cork Office having the lowest level of sickness per employee at 7.35 per person. The Passport Service compares favourably against the UKIPS which has a higher rate of 10.07 days per employee. Both Balbriggan and Cork Offices recorded sickness days under the target rate of the UK. It is important that the Passport Service considers all issues contributing to the levels of sickness (see Recommendation 8).

An analysis of sickness absence levels in 2007 of Passport Service staff indicated that there was a small number of staff who had been on long-term sick leave (of three months or more). When levels of sick leave were analysed, excluding these staff, the average number of sick days for the Service was 6.2 days. It was also noted that there are slightly greater levels of sick leave among the more junior grades of staff (sickness among COs and TCOs accounted for 90% of all sickness), and given that these grades account for a higher proportion of passport office staff, this leads to a higher level of sick leave than for the Department generally.

6.5 Performance Management

The Performance Management Development System (PMDS) is used across each of the Passport Offices to monitor and maintain staff performance. Under the PMDS, each member of staff is required to develop their role profile with their line manager. The role profile form is split into three sections, Section A – Role Profile, Section B – Identification of Competencies for the Job, Section C – Personal Training and Development Plan, and Competency Framework for the Role.

The current system provides for performance measurement, feedback to jobholders and incorporates individual development plans. PMDS was designed for the Civil Service as a whole and its acceptance negotiated with unions before it was introduced. The Passport Office cannot, therefore, modify the current system or use it in any way other than the format prescribed.

The APS facilitates the production of large numbers of reports (approximately 50) in relation to the productivity of staff, and can be analysed in reasonable detail. The system can produce reports on each member of staff, and the teams within which they work, to enable any office to compare internal staff performance. It can facilitate the Passport Service as a whole to compare staff performance (individual and team) across the various offices. The system can also allow the usage of a vast number of Key Performance Indicators, and can cross check against PMDS profiles.

Through the use of PMDS, individual/team performance can be reviewed and benchmarked against the APS norms, or standards can be set. Further performance review can take place through the use of the APS, which can review performance on an office-by-office basis.

Observation

At present, the Passport Service does not fully utilise the potential of the APS output reports and the PMDS system. Consideration should be given to enhanced usage of the APS system and of the automated reports that can be taken from it for performance management, both on an office-by-office and Service-wide basis. There is also potential for linking the information from the PMDS and APS systems.

6.6 Observations and Recommendations

As shown in the information above, there are a number of key drivers that impact on staff costs within the Passport Service. Two of the major factors are those of staff overtime and the use of TCO staff who are still required, even with the increase of permanent staff.

The following illustrates the movements between activity and costs for the period 2003-2007:

- Applications have increased from 547,653 to 699,313 (28%)
- Total staff costs have increased from €13m to €18.3m (39%), and
- Overtime increased to 10% of salary costs in 2007.

6.6.1 Resources

In considering the following factors impacting on demand - The Passport Act (2008), waiver of fees for over 65s and the Customer Charter - it will be essential for the Passport Service to review potential efficiencies in processes in order to manage the anticipated increase in demand, and to ensure that there is not a requirement to increase staffing levels significantly.

The Passport Service is a resource intensive organisation. Any staff shortages could potentially have an adverse impact on the level of customer service. Unless productivity or efficiency within the Service can be increased, or customer demand can be managed, the Service could continue to need additional staffing resources as the number of applications increases.

Recommendation 4

In considering the level of demand and the recent implementation of the APS, the Passport Service should undertake a detailed process review of the complete passport application process to ensure staff resources are appropriately matched to demand.

6.6.2 Training

Although broadly similar, training is not standardised across the four offices. Whilst it is recognised that each office undertakes a slightly different role, there are core tasks that are common to each office. The Passport Service should consider a standardised approach to training for these core tasks, taking into consideration staff grades and role. Furthermore, consideration should be given to the level of training that is required for returning TCOs.

Recommendation 5

The Passport Service should consider providing a standardised training approach for core tasks, including refresher training courses for returning TCOs.

6.6.3 Performance Management

The Passport Service has in place a PMDS, which is used to review the performance of individual members of staff and offices. The APS system is also able to produce a large number reports relating to productivity at each stage of the process. This could be used to a greater extent to compare the differing workloads across offices and the range of complexities of applications. Greater use could be made of the APS reports as a management tool.

Recommendation 6

The Passport Service should make more use the APS reporting systems in conjunction with PMDS to compare the different workloads across offices, the complexities of applications, and the individual productivity and performance.

6.6.4 Overtime

In 2006, overtime accounted for 9% of total staff costs. An additional 141 permanent staff were recruited in 2007. One of the aims of this recruitment process was to reduce overtime costs. To date this has not happened. As noted in Section 5, the Service should consider ways to flatten the peaks in demand and therefore reduce the need for overtime. The UKIPS does not engage or pay overtime, but instead operates compressed contracts.

Recommendation 7

The Passport Service should keep the level of overtime under close review in 2008. In particular, the Service should pin-point overtime triggers in order to anticipate and avoid overtime, where possible.

6.6.5 Absence

Absence rates also continue to be an issue within the Passport Service especially across the CO and TCO grades, at 8.9 days per employee, and it is higher than the overall departmental rate of 6.93. The UKIPS has introduced an incentives' scheme to recognise individuals and teams that have worked particularly well.

Recommendation 8

The Passport Service should continue to keep the level of absence under review, and should use this as a KPI against which it can try to reduce the level of sickness. As the sickness rate in the Molesworth Street Office is particularly high, the Passport Service (in conjunction with the Department's HR Section) should undertake a review of this office in order to address any specific issues.

Recommendation 9

The Passport Service should consider a reward scheme that is appropriate to its circumstances to encourage a reduction in absence rates and increase productivity.

7 Financial

7.1 Introduction

In this section of the report we cover the following:

Section	Heading
7.2	Vote Allocation and Financial Policy
7.3	Income and Expenditure
7.4	Indirect Costs
7.5	Budgeting and Financial Performance
7.6	Observations and Recommendations

As part of our data collection exercise, we collected financial information across all of the offices and from the Department's Finance Unit for the period 2002-2006. In this section, we analyse the information which we collected and have investigated further into some aspects of the incomes and costs. Accounts of all Government departments in Ireland are prepared in accordance with the Exchequer and Audit Departments Act 1866, and accounting rules and procedures laid down by the Minister for Finance. Under this Act, the accounts are a cash-based record of the Receipts and Payments in the year compared with Estimate Provision, with the addition of information of an accruals nature. Any part of the authorised expenditure left unexpended at year-end is surrendered to the Exchequer.

7.2 Vote Allocation and Financial Policy

7.2.1 Vote Allocation

The Department is funded under Vote 28 (Foreign Affairs) and Vote 29 (International Co-operation). The funding for the Passport Service comes under Vote 28⁸.

The 2007 funding allocation under Vote 28 was €254 million, compared with €243 million in 2006 and €228 million in 2005. Some €39 million of that total came from appropriations-in-aid, mainly through passport and other consular fees.

Just over 75% of the 2007 allocation, approximately €196 million, related to the Department's administration budget. This funded the ongoing operational costs of the Department's headquarters and its 75 missions outside the State (which employ some 1,560 staff at home and abroad). The 2007 administration budget also included a capital allocation of €28.6 million, €23 million of which was for the targeted purchase of mission properties abroad (four such properties were purchased in 2006).

Apart from these administration costs, the balance of the 2007 estimate, €58 million, funded a range of programmes in support of the Department's objectives. A total of 22% of the budget under Vote 28 for 2007, amounting to €47.4 million, was devoted to the protection of Irish citizens abroad, including through the provision of passport and consular services.

⁸ A small number of Missions are funded under Vote 29 (International Co-operation)

7.2.2 Financial Policy

The Department has no policy regarding the extent to which the Passport Service is expected to be self-financing. If the Passport Service were to be self-financing, this would have clear implications on passport fees. A further issue related to this is the impact of the policy to issue free passports to the over 65s. This has had the effect of reducing the income of the Passport Service. This could also affect the Service's ability to be self-financing without significant increases in fees.

Observation

The UKIPS is required to be self-financing. Each office has a devolved budget to cover all expenses, although payroll is done centrally by the Home Office. Passport fees are regulated to cover costs and any increase in fees has to be approved by Treasury.

As will be noted later in this section we recommend that a clear financial policy is developed regarding the extent to which the Passport Service should be self-financing, taking into account any impact this may have on passport fee levels.

7.3 Income and Expenditure

7.3.1 Income – Cash-Based Accounting

The table below shows an overview of the high level income and costs associated with the Irish Passport Service during the period 2002-2006.

The Passport Service generates all income from the fees that are charged to its customers for the production of passports. In addition to expenditure covered by the Foreign Affairs Vote (28) allocation, the Office of Public Works (OPW) also pays for some costs, including rental charges for the Dublin, Balbriggan and Cork offices.

As with all government departments, the Department of Foreign Affairs reports under the cash-based accounting concept. High level information based on the accruals concept is also available and is shown below for comparison.

Table 16: Passport Service High Level Income and Costs – Cash-Based Accounting (€000) (2002-2006)

	2002	2003	2004	2005	2006
Cash-Based Accounting					
Receipts	23,192	23,426	30,135	32,651	30,856
Current Expenditure	(17,982)	(19,965)	(21,267)	(29,741)	(33,736)
Capital Expenditure	(4,725)	(16,092)	(10,701)	(2,247)	(4,086)
Surplus(Deficit)	485	(12,631)	(1,833)	663	(6,966)

Source: The Department (2007)

The above table demonstrates cash costs which are directly attributable to the Service, but do not take account of other costs not directly attributable to the Passport Service under cash accounting principles. The recurrent expenditure noted above includes both salary costs and other consumables required by the Service, such as booklets, datachips and special inks.

7.3.2 Income - Accrual Based Accounting

Under Government accounting principles, the Department operates a cash-based accounting system. The table below sets out the financial position in relation to the Passport Office on an accruals basis over the period 2002-2006.

Table 17: Passport Service High Level Income and Costs – Accruals Concept Accounting (€000) (2002-2006)

	2002	2003	2004	2005	2006
Accruals-Based Accounting					
Receipts	23,192	23,426	30,135	32,651	30,856
Current Expenditure	(17,982)	(19,965)	(21,267)	(29,741)	(33,736)
Depreciation charge 20% pa	(945)	(945)	(945)	(945)	(945)
		(3,218)	(3,218)	(3,218)	(3,218)
			(2,140)	(2,140)	(2,140)
				(449)	(449)
					(817)
<i>Total Costs</i>	<i>(18,927)</i>	<i>(24,128)</i>	<i>(27,570)</i>	<i>(36,493)</i>	<i>(41,305)</i>
Surplus (Deficit)	4,265	(702)	2,565	(3,842)	(10,449)

Source: The Department (2007)

The treatment of capital costs is the major difference between the two accounting concepts. Under cash-based accounting, capital costs are taken as a direct cost to the Income and Expenditure account in the year in which they are incurred. With accruals accounting, the cost of capital equipment is spread across the useful life of the asset. The following table shows the quite different overall surplus/deficit figures that the accounting concepts give across the five year period 2002-2006. The use of accruals-based accounting would have the effect of spreading the costs of the capital expenditure over the life of the asset. The table below highlights the cash accounting figures as reported, and under the accruals-based approach. Indirect costs are not included within this table. The increase in depreciation costs year-on-year has added to the overall cost, which has increased the cost per application.

Table 18: Overall Comparisons between Cash-Based and Accruals-Based Approach

	2002	2003	2004	2005	2006
Surplus (Deficit) [cash-based]	485	(12,631)	(1,833)	663	(6,966)
Surplus (Deficit) [accruals-based]	4,265	(702)	2,565	(3,842)	(10,449)

Source: The Department (2007)

The main periods of deficit on an office-by-office basis were in Molesworth Street in 2003 and Balbriggan in 2004. In Molesworth Street in 2003, there was office expenditure of €18.4 million on equipment for the office and for passport production. Within Balbriggan in 2004, there was large scale investment before the office generated any income; this was, in the main due to office machinery cost of €10.9m.

Income from the Passport Service equated to €30.856 million in 2006, and has grown by 33.05% from 2002-2006. In line with Government policy, the Department also waives income from the over 65s.

Observation

In 2005, the Government decided to provide a passport to the over 65s on a free of charge basis, whereas in comparison, no such benefit is provided by the UK passport Service. This has the effect of foregoing a substantial portion of income year-on-year for the issue of these passports. For example, in 2006, 59,284 passports were provided free to over 65s. This would have created income of €4,446,300 if the Passport Service has charged the full €75 for each of these passports.

7.3.3 Direct Expenditure

The Passport Service incurs both recurrent and capital expenditure on a range of items on an annual basis. A high level overview of both types of expenditure is shown in Sections 7.3.3.1 and 7.3.3.2.

7.3.3.1 Recurrent Expenditure

The Passport Service has two main elements of recurrent expenditure: salaries, and wages, and costs relating to maintenance of office machinery. A full breakdown of costs by office is shown in Appendix 7. A breakdown of the major elements is shown in the tables below.

Table 19: Passport Office Salaries and Wages Costs (2004-2006)

	2004	2005	2006
Salaries and Wages	€s	€s	€s
Molesworth St	6,871,498	9,531,786	4,519,769
Balbriggan	196,083	-	4,717,107
Cork	1,973,959	2,500,047	2,977,409
London	1,667,033	2,141,124	1,825,887
Missions (estimated)*	1,667,033	2,141,124	1,825,887
Total	12,375,606	16,314,081	15,866,059

Source: The Department (2007)

* Estimated to be equivalent to that of the London Office

The 2005 figure for Molesworth Street represents the costs of both the Molesworth and Balbriggan Offices for that year. The staff costs for 2004 for the Balbriggan Office are relatively low as the office only became operational late in the year.

The Passport Service also has a number of recurrent costs relating to maintenance of equipment and consumables required to produce the passport documents, such as specialist inks and bulbs for the scanning and printing equipment. As shown in the table below, following on from the introduction of APS, these costs have increased by almost 100% between 2002 and 2006.

Table 20: Office Machinery and Office Costs (2002-2006)

	2002	2003	2004	2005	2006
Office Machinery and other office expenditure	€	€	€	€	€
Molesworth St	6,492,162	18,431,805	4,264,562	8,790,152	12,762,318
Balbriggan	-	-	10,907,384	1,225,332*-	-
Cork	-	-	163,198	17,351	108
London	-	-	-	-	103,940
Missions	-	-	-	-	103,940
Total	6,492,162	18,431,805	15,335,144	10,032,835	12,970,306

*APS project costs

Source: The Department (2007)

Significant investment in office machinery has taken place in the last five years within the Service, and this is likely to continue, given the need for the Passport Service to continue to develop ways to combat the threat of passport-related fraud, and to meet customer demands which are placed on the Service.

7.3.3.2 Capital Expenditure

The Passport Service has implemented two major projects in recent years, the Automated Passport System (APS) and the introduction of the e-Passport. The introduction of these new systems was key to the Passport Service being able to meet the demands placed on it in terms of both the quality and quantity of passports issued, and its targets as noted in the Customer Charter. Section 4.5 highlights the estimated costs of the APS project, and gives a breakdown between the recurring and non-recurring costs of the project. A breakdown of the actual costs incurred for the APS and Biometrics Projects can be seen in the following tables.

A summary of the costs of the APS project until 2005 when the project came online is outlined in the table below. This table includes Bearing Point costs, which are made up of the hardware, software and service costs.

Table 21: Automated Passport System (APS) Costs

APS Costs	€m
Bearing Point Costs	26.000
Passport booklets and data pages	3.910
Support and Maintenance	0.793
Legal and consultancy fees	0.710
Installation of LAN services	0.500
Additional servers and printers	0.180
Staff expenses	0.093
Tender evaluation consultancy	0.820
Total	33.006

Source: The Department (2007)

Following the introduction of the APS project, the Biometric project was implemented to enable biometric data to be held on passport documents which would be produced using the new APS. This project cost €6.182 million, of which the major costs were for the systems and datapages software used to store the biometric data. A breakdown of the costs of this project is shown in the following table.

Table 22: Passport Service Biometric Costs (€)

Biometrics Project Costs	
Hardware	560,000
Software	3,000,000
IT TOTAL	3,560,000
Chip O/S (Capital)	605,000
Datapage Costs (Capital)	1,364,275
Booklets (Capital)	127,050
TOTAL	2,096,325
TOTAL CAPITAL	5,656,325
Publicity	500,000
Legal fees	26,000
Total cost of the project	6,182,325

Source: Passport Service (2007)

Comparator

By contrast, both the UKIPS and the Netherlands Passport Service outsource the production of their passports, which avoids the peaks and troughs associated with capital expenditure as they pay a service contract figure year-on-year. The benefit of outsourcing production is not having large amounts of capital expenditure on technological equipment which can quickly become obsolete.

Observation

Before the end of the useful life of the current production machines, the Passport Service should undertake a cost benefit analysis of outsourced and in-house passport production.

7.4 Indirect Costs

In addition to the direct costs associated with the delivery of the Passport Service, there are a number of other costs that are not directly charged to the Service but are highlighted in the expenditure of other units within the Department. The largest of these are those costs associated with the ICT Unit in the Department and rent costs for each of the offices borne by the Office of Public Works (OPW).

Within the ICT Unit, there is a dedicated member of staff assigned with responsibility for ensuring that the Passport Service has appropriate systems to deliver its mandate. In addition, there are other members of the ICT Unit, such as analysts, who are responsible for delivering IT-related projects within the Passport Service on an ad hoc basis. For example, a team of ICT staff was involved in the Biometrics project. Since 2004, the total cost of ICT staff time involved in Passport Service-related work is €360,699. These costs have been allocated to the ICT Unit budget. The table below provides an overview of the annual ICT Unit staff costs that directly related to the Passport Service activities from 2004 to 2006.

Table 23: ICT Staff Costs Relating to Passport Service Activities (€)

	2004	2005	2006	Total
ICT salary costs	74,338	142,833	143,528	360,699

Source: The Department (2007)

In addition to staff time, the ICT Unit has provided the Passport Service with various other forms of support, such as purchasing software licences, hardware and various upgrades to the Passport Service's IT systems. As shown in the table below, from 2004 to 2006 this support has equated to €2.3 million, which is shown against the ICT Unit's budget and not the Passport Service budget.

Table 24: Indirect ICT Unit Costs Relating to Passport Service Activities €

Indirect Cost	2004	2005	2006	Total
Equipment	0	841,345	534,494	1,375,839
Circuits and cabling	89,000	152,319	228,978	470,297
ICT outsourcing and consultancy	77,091	145,000	95,372	317,463
Maintenance	0	10,398	316	10,715
Software and licences	0	174,127	23,987	198,115
Total	166,091	1,323,189	883,147	2,372,429

*Source: The Department (2007).

Therefore, from 2004 to 2006, an additional €2.37 million of indirect expenses has been spent in delivering passport services. In addition to the costs shown above, a further €1.16 million has been

spent by the ICT Unit in activities relating to the Passport Service. It should also be noted that the ICT Unit anticipate that by the end of 2007, an additional €4 million will have been spent by the ICT Unit in activities related to the delivery of passport services that will not be accounted for under Passport Service budgets.

The table below highlights the financial position of the Department's Passport Offices over the period 2002-2006. This includes the indirect expenditure borne by both the ICT Unit and the OPW. This has the effect of increasing the deficits recorded by the Office over the five year period.

Table 25: Cash-Based Accounting including Indirect ICT Costs and OPW Costs (€000)

	2002	2003	2004	2005	2006
Cash-Based Accounting					
Receipts	23,192	23,426	30,135	32,651	30,856
Current Expenditure	(17,982)	(19,965)	(21,267)	(29,741)	(33,736)
Capital Expenditure	(4,725)	(16,092)	(10,701)	(2,247)	(4,086)
Indirect Expenditure - ICT	*	*	(240)	(1,466)	(1,026)
Total Expenditure	(22,707)	(36,057)	(32,208)	(33,454)	(38,848)
Surplus (Deficit)	485	(12,631)	(2,073)	(803)	(7,992)

Source: The Department 2007

*indirect costs not available for 2002 & 2003

Table 26 provides an overview of the cost per passport issued compared to the total costs of the Passport Service and income generated through fees.

Table 26: Cost (total Direct and Indirect) and Income per Passport Issued (Cash-Based)

	2005 €'000s	2006 €'000s
Current Expenditure	29,741	33,736
Capital Expenditure	2,247	4,086
Indirect Costs	1,466	1,026
Total Costs	33,454	38,848
Fee Income	32,651	30,856
Number of passports Issued	569,475	614,215
Cost per issue	€58.75	€63.25
Fee income per issue	€57.34	€50.24

*Source: The Department (2007).

As shown in the table above the cost to issue a passport can vary greatly each year depending on the level of capital expenditure that has been incurred in that year. An accruals based accounting concept spreads the cost of capital investment more evenly across the life of the asset and therefore the annual differences in costs per passport issued are less pronounced. The table below provides an overview of the cost per passport issued on an accruals basis.

Table 27: Cost (total Direct and Indirect) per Passport Issued (Accruals Based)

	2005 €'000s	2006 €'000s
Expenditure	36,493	41,305
Indirect Costs	1,466	1,026
Total Costs	37,959	42,331
Fee Income	32,651	30,856
Number of passports Issued	569,475	614,215
Cost per issue	€66.66	€68.92
Fee income per issue	€57.34	€50.24

7.5 Budgeting and Financial Performance

The funds allocated to the Passport Service occur at subhead level over two headings, namely administration and programme. There are three strands of budgetary management for the Passport Service as follows:

- On an overall basis from the Secretary General as Accounting Officer
- Delegated responsibility at an operational level to the Finance Manager/Finance Unit
- Delegated responsibility to budget holders - the Heads of Divisions and Sections (headquarters) and Heads of Missions.

The annual budgets are prepared by budget holders at account code level. Budget holders have access to the online financial reporting system, which allows them to review actual performance against budgeted performance. An Expenditure Monitoring Group, which is serviced by the Finance Unit, reviews expenditure on an ongoing basis, with monthly submissions being made to the Department of Finance.

As well as the monthly reviews, there is a mid year review process which facilitates the transfer of monies between the administrative budget subheads on the basis that any requests for additional funds can only be funded from savings which can be made elsewhere. The allocations, which are received from the Department of Finance in the estimates process, are fixed for the year. There is also a process in place for requesting supplementary estimates, should exceptional circumstances arise.

The financial information for each of the Passport Offices feeds into the Departmental figures. As a result of this, there is no stand alone financial information for the Passport Service. Budget holders can, however, review their individual position against budget at any time during the year.

Observation

The financial information for each of the Passport Offices is included in the overall Departmental figures. As a result, there is no stand alone financial information for the Passport Service.

Comparator

In the UK, the Passport Service prepares its accounts for the Service as a whole, which then feed into the Home Office.

7.5.1 Future Financial Requirements

The main elements of capital expenditure in the Passport Service are the purchase of premises and technical equipment. The Department of Finance generally supports the strategy of buying premises rather than renting them. The budget for these would be considered and reviewed on a case-by-case basis.

With regard to technical equipment, such as that for the APS and Biometrics projects, the Passport Service deals with these on a case-by-case basis. At present, no similar type of investment is planned in the short-term.

Observation

At present there is no planned future expenditure on technological projects such as the replacement/upgrade of the technological equipment required to enhance the security around both the passport document itself and the information contained therein. The fixed assets within the Passport Service are depreciated at a rate of 20%, under the assumption of a five year useful economic life.

7.6 Observations and Recommendations

7.6.1 Direct and Indirect Costs

The final financial position of the Passport Service has varied year on year, and we have noted that, generally, it is in a year where large scale capital investment has taken place that the Service has recorded a deficit. In 2006, the Passport Service recorded a deficit of almost €7 million on a cash accounting basis. When indirect costs such as ICT were also taken into account, this deficit increased to almost €8 million.

In 2005, the Government decided to provide a passport to the over 65s on a free of charge basis whereas, in comparison, no such benefit is provided by the UK Passport Service. This has the effect of foregoing a substantial portion of income year-on-year for the issue of these passports. For example, in 2006, 59,284 passports were provided free to the over 65s, which would have created income of €4,446,300 if the Passport Service had charged the full €75 for each of these passports.

Recommendation 10

An assessment of the future financial implications for the Passport Service arising from the impact of the policy waiver for over 65s should be undertaken to allow the Passport Service to plan future financial requirements.

7.6.2 Capital Expenditure

The Passport Service incurred high-levels of costs during the period 2003-2006 relating to capital expenditure: €6 million of which was accounted for by the Biometrics project and €3 million for the full implementation of the APS project. Other countries, such as the UK, avoided this large scale capital expenditure by outsourcing the production of the booklets to private companies under Service Level Agreements (SLA). Production in the Netherlands was assigned to the State printing company. This company has since been privatised but retains responsibility for passport production.

At present, there is no capital investment plan in place to identify the future financial investment requirements necessary to upgrade the technical equipment used to produce the passport. This is a key issue for the service as it is likely that, in the future, there will be the need to upgrade both the hardware and software to ensure that the Passport Service can produce a passport which is capable of coping with additional biometric information. Such additional information is likely to be

required to be held on a passport to deal with the increasing and ever evolving threat of fraud. The existing chip on the Irish Passport is large enough to take a second biometric.

Recommendation 11

The Passport Service should undertake a cost benefit analysis of producing passports in-house and outsourced before the end of the useful life of the current APS hardware.

Recommendation 12

The Passport Service should develop a capital development plan to ensure equipment etc. is adequately provided for.

7.6.3 Budgeting and Financial Performance

The financial information for each of the Passport Offices feeds into the Department's figures. As a result, there is an absence of separate Passport Service information prepared on a holistic basis.

Recommendation 13

More detailed Management Information System data should be produced, including direct and indirect costs, to enable the Service to become more accountable.

7.6.4 Future Financial Requirements

The main elements of capital expenditure in the Passport Service are the purchase of premises and technology related equipment. The Department of Finance generally supports the strategy of buying premises rather than renting them. The budget for these would be made available and reviewed on a case by case basis.

With regard to technical equipment, such as that for the APS and Biometrics projects, the Passport Service should deal with these on a case by case basis, but should consider Recommendations 11 and 12 as set out above.

7.6.5 Financial Policy

The Department has no set financial policy objectives regarding the extent to which the Passport Service is required to be self-financing or otherwise.

Recommendation 14

The Department should develop a clear statement relating to the financial objectives of the Passport Service, i.e. self-financing or otherwise.

8 Future Demand

8.1 Introduction

In the following section, we will consider the level of future demands that may be placed on the Passport Service in terms of the volume of workload and international requirements. Specifically, we have reviewed:

Section	Heading
8.2	Population Demographics
8.3	Travel and Tourism
8.4	Future Passport Requirements
8.5	Observations

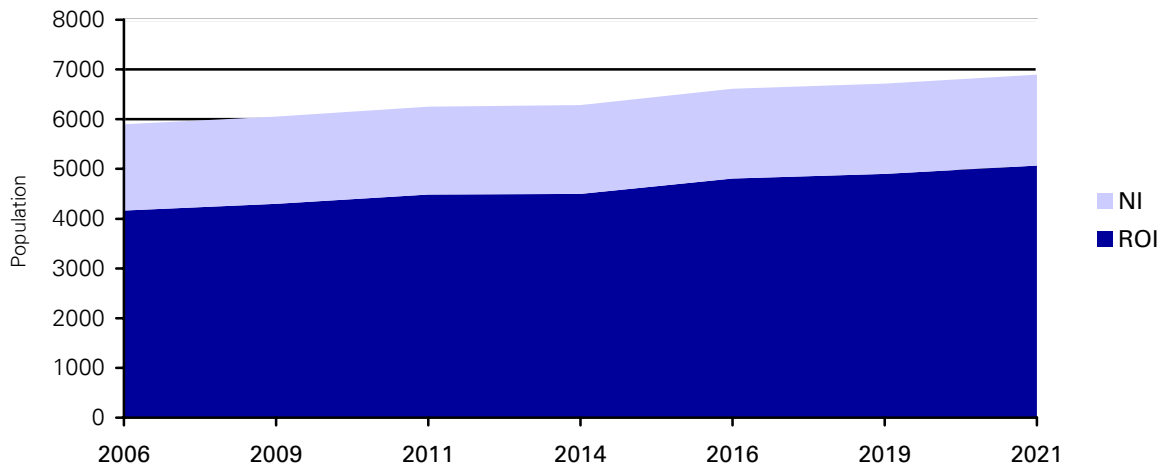
There are a number of factors that will impact on the future demands on the Passport Service. As will be discussed in the following paragraphs, changes to the Irish population and increasing travel by Irish citizens will impact on the level of service required. In addition, international requirements with regard to the range of security features on the document will also influence future production standards.

8.2 Population Demographics

There are two main factors which will impact on the Irish population and consequently the number of those entitled to hold an Irish passport: (i) natural increases in the indigenous population and (ii) inward migration, including asylum seekers.

The current population of the Republic of Ireland is 4,109,086 and in Northern Ireland its 1,710,300. The total population of Ireland (both the Republic of Ireland and Northern Ireland) is set to steadily increase over the coming years. This is shown in the figure below.

Figure 12: Population Projections for Northern Ireland and the Republic of Ireland up to 2021



Source: Central Statistics Office and Northern Ireland Statistics and Research Agency

Observation

There are currently 704,000 people over the age of 65 on the island of Ireland. By 2010, this is set to increase to 752,000, which will therefore impact on the demand for free passports in the future. Given that free passports currently account for 10% of those issued, we estimate that by 2011 around 67,500 free passports will be issued annually. This will impact not only on the workload of the Service but also on revenues, as based on current rates, it represents over €5 million of lost income annually.

Comparator

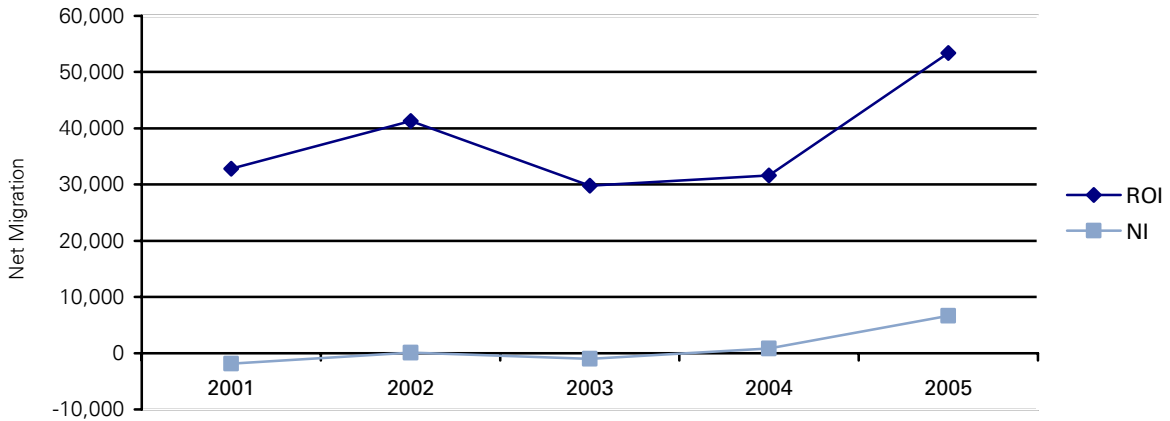
In the UK, approximately 42.47 million citizens hold UK passports, or approximately 71% of the UK population overall. In the US, according to the State Department, approximately 70 million citizens hold a U.S. passport, an estimated 25% of the US population overall.

8.2.1 Migration

Net migration (inflow and outflow) of both permanent and temporary immigrants has been steadily increasing in Ireland for the last number of years. Approximately two thirds of the population increase in Ireland will be accounted for by migration, with the remaining one third due to natural increase in the population.

According to national population statistics, almost 86,900 immigrants entered Ireland in 2006. This represents an increase of almost 25% over 2004, which was also the highest immigration on record. The estimated number of emigrants in 2006 was 17,000, which gave a net migration figure of 69,900 compared with 53,400 in 2005. In Northern Ireland also, the net migration rate has been steadily increasing and reached 6,671 in 2005.

Figure 13: Net Migration Statistics for Northern Ireland and the Republic of Ireland (2001-2005)



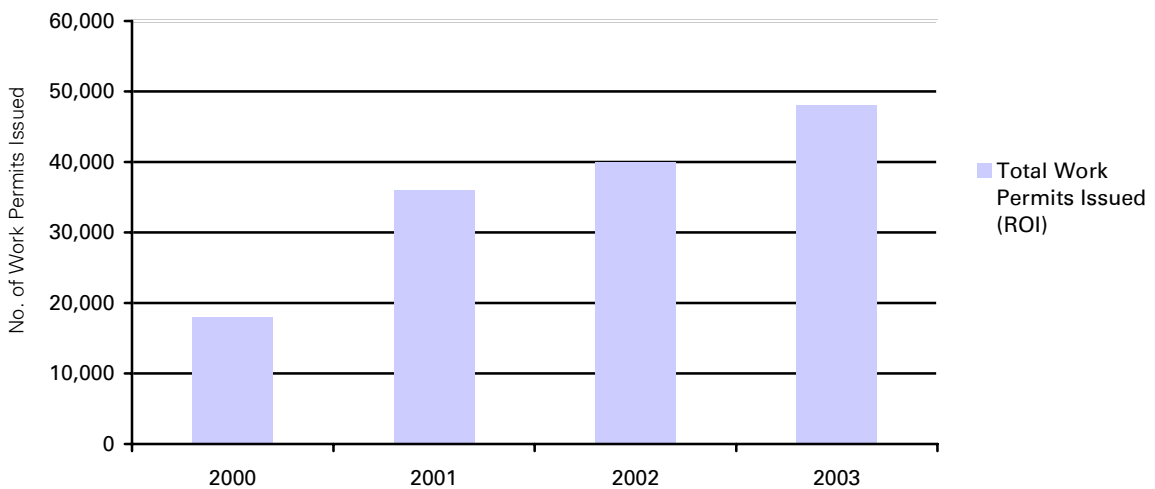
Source: Central Statistics Office and Northern Ireland Statistics and Research Agency

The evolution of Ireland's immigration policies since the late 1990s, and their impact on the immigration and employment of non-nationals, have contributed to the increasing levels of immigration and foreign labour.

With regard to labour immigration, Ireland has maintained policies that are among the most liberal in Europe. Together with the UK and Sweden, Ireland was the only EU15 member country which fully opened its labour market for immigrants from all ten new EU member countries at the time of accession in 2004. An estimated 40% of the recent inflows have been from these countries. In contrast to the 2004 EU enlargement, the Irish government decided not to give free access to nationals of Romania and Bulgaria following the accession of these countries in 2007.

In the absence of quotas, the total number of work permits issued to non-Irish migrant workers increased substantially from less than 6,000 in 1999 to almost 50,000 in 2003 (as shown in the table below). Foreign labour makes up approximately 8% of the Irish workforce.

Figure 14: Work Permits Issued in the Republic of Ireland (2000-2003)



Source: Central Statistics Office (2007)

A report by NCB Stockbrokers⁹ suggests the influx of immigrants to Ireland is not a short term phenomenon. It is predicted that by 2020 the population of Ireland will have grown from 4.1 million to over 5 million, with the number of immigrants rising from 400,000 to 1 million.

8.2.2 Asylum Applications

Figures for asylum applications in 2006, released on 23 March 2007 by the Office of the UN High Commissioner for Refugees (UNHCR), show that Ireland received 4,314 applications – almost 1.5% of all who sought asylum in the industrialised world. Asylum statistics compiled in July 2006 by the Irish Refugee Council show that, for the 6-year period 2000 - 2005:

- 38,950 people sought asylum in Ireland
- 6,814 asylum-seekers have been recognised as refugees, and
- Of 16,693 people who got residency on the basis of parentage of an Irish citizen child under the government's "IBC 2005" scheme, 10,032 had sought asylum.

The table below shows numbers recognised as refugees in the last 6 years in Ireland.

Table 28: Number of Refugees in Ireland (2000-2005)

Year	Total no of refugees
2000	605
2001	940
2002	1,992
2003	1,173
2004	1,138
2005	966
Total	6,814

Source: Irish Refugee Council

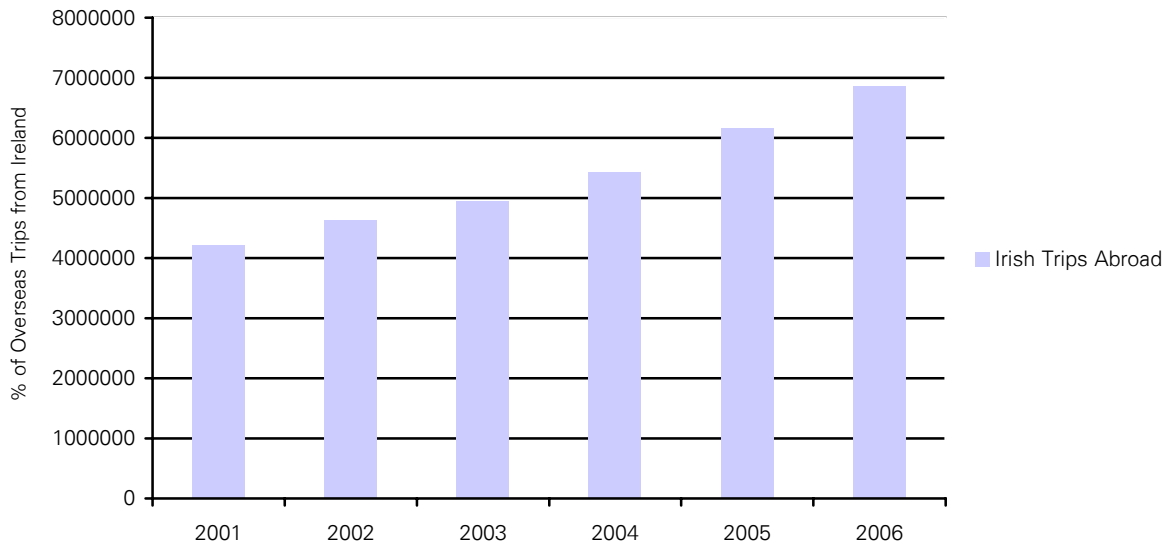
As individuals with refugee status are entitled to an Irish passport, this may further increase the demand on the Passport Service in the future.

8.3 Travel and Tourism

In addition to the increasing movement of people associated with migration, is the increasing movement of people associated with travel. Travel may occur for many reasons, be it business, pleasure or other, and statistics indicate that people are travelling more than ever. Trips from Ireland have risen steadily over the last number of years (as shown in the following chart).

⁹ *Immigrants to Ireland – Numerous and Well Educated (2007)*

Figure 15: Seasonally Adjusted Overseas Trips From Ireland (2001-2006)



Source: Central Statistics Office (2007)

Observation

The combined effect of increasing population and travel outside of Ireland will create further demands on the Passport Service in the future.

8.4 Future Passport Requirements

With the likely increases in the demand for Irish passports, and the continuing need for enhanced security features, the Passport Service will face some key challenges in the future. Council Regulation (EC) 2252 of 2004 requires Schengen countries to include a facial image and fingerprints in their passports. The requirement for the inclusion of a facial image came into effect on 28 August 2006, while the requirement for the inclusion of fingerprints is to come into effect on 28 June 2009. However, as the regulation relates only to Schengen countries, Ireland is not subject to its application and there are currently no plans to include a second biometric identifier, such as fingerprints, into Irish passports.

Comparator

Both the Netherlands and Denmark are part of the Schengen area and as such are subject to Schengen regulations. Both Passport Services are able to collect a second biometric as part of the application process because applicants must apply in person. The municipalities system means that there are hundreds of local offices across both countries where citizens apply for their passport. Finger prints or iris scans could easily be collected at this point.

The inclusion of a second biometric identifier would in any event pose significant challenges for the Passport Service. In particular, with only two counter offices, collection of the biometric data would represent a major task.

8.5 Observations

Based on the foregoing, we anticipate that the level of demands on the Passport Service will continue to increase. Increasing levels of immigration and those seeking refugee status also have the potential to add to the volume and the complexity of the Service's workload.

8.5.1 Travel and Tourism

The combined effect of increasing population and travel outside of Ireland will create further demands on the Passport Service in the future.

Recommendation 15

The Passport Service should plan the level of resources required to deliver services in the future, taking into account the level of population increase and associated increased travel.

9 Performance

9.1 Introduction

Section	Heading
9.2	Economy
9.3	Efficiency
9.4	Effectiveness
9.5	Existing Indicators
9.6	Suggested Key Performance Indicators (KPIs)
9.7	Recommendations

9.2 Economy

There are a number of issues to consider in reviewing the economic aspects of the Passport Service:

- Income to the Passport Service
- Cost of Delivering the Services, and
- Future Cost Drivers.

9.2.1 Income

The Passport Service generated €30.8 million in 2006 through passport fees. Furthermore, as noted in Section 3, the Passport Service has also foregone in the region of €4.4 million in fees through the provision of free passports to the over 65s.

To enable a comparison of passport fees to other countries in Europe, the standard passport fee was divided by the length of validity of the document to give an annualised fee. As shown below, the annualised fees for an Irish passport are lower than those provided by the UK, the Netherlands and Denmark.

Table 29: Annualised Passports Fees

Country	Annualised Passport Fees €s
Ireland	7.50
UK	9.80
Denmark	8.00
Netherlands	9.67

Source: EU Forum for Travel Documents

The Passport Service is funded through the fees generated and is supplemented by funding from the Department through Vote 28.

9.2.2 Cost of the Passport Service

In 2006, the total cost (direct and indirect) of the Passport Service was €38.8 million, which equates to approximately 5% of the total Departmental budget.

The major recurrent costs associated with the Service are staff and office machinery costs (such as scanners and specialist printers). Other recurrent costs, such as maintenance of the production machines and consumables, amounted to €12.9 million in 2006. This includes €3 million on passport booklets and €3 million in software licences and maintenance.

An additional €2.7 million was spent on Passport Service related activities and subsequently recorded against the ICT Unit's budget between 2002 and 2006. This indirect expenditure related to ICT tasks undertaken on behalf of the Service, such as project support, systems upgrades and staff costs for Passport Service projects.

In line with government accounting standards, the Passport Service operates cash based accounting, which has the impact of creating peaks and valleys in relation to the overall financial position of the Passport Service year on year. This means that capital expenditure costs are fully recognised in the year that they occur and are not spread over the useful economic life of the asset. The most recent capital expenditure programme consisted of the implementation of the APS and Biometrics projects, which had a combined cost of €39 million. Therefore, using the cash- based accounting method, the Passport Service operated in an overall deficit position, in 2003, 2004 and 2006.

9.2.2.1 Staff costs

As shown in Section 6, staff costs accounted for 47% of the direct Passport Service costs in 2006. The total staff costs in 2006 were €15.8 million (including €1.3 million of staff overtime which equates to 9% of the salaries and wages cost of the Service for 2006).

Table 30: Overtime Costs by Office (2004 to 2007)

	Molesworth €	Balbriggan €	Cork €	London €	Overall €
2004	322,965	3,033	168,261	*	494,259
2005	575,121	494,261	412,037	34,268	1,515,687
2006	475,461	450,904	366,987	35,815	1,329,167
2007	513,187	674,135	314,606	18,058	1,519,986

Source: The Department (2007)

As shown above, overtime costs have increased significantly from 2004 to 2007. This is despite an increase of 141 additional, permanent staff being employed in 2007. The Passport Service noted that exceptionally high levels of overtime occurred in 2006 and 2007 following the implementation of biometric passports. The increased specifications of passport photographs led to unusually high levels of passport applications being returned to customers for re-submission. This led to an increased workload for Passport Service staff, as over 65,000 applications were effectively processed more than once.

9.2.3 Future Cost Drivers

As noted in Section 3, there are a number of other issues that have the potential to impact upon the cost of delivering the service in the future. The introduction of the Passport Act, and the associated right of appeal, has the potential to increase the workload of the Service. Changes to passport entitlement for minors and citizenship policies could also impact upon both the complexity and workload of the Service.

Furthermore, the population in Ireland (North and South) has been steadily increasing and is set to rise to almost 7 million by 2021. Ireland has also experienced increased levels of asylum seekers since 2000, and those who are granted refugee status are entitled to an Irish passport. Therefore, the increasing indigenous and migrant population has the potential to increase the workload of the Service.

We estimate that by 2011, around 67,500 passport applications will be from the over 65s, this represents around €5 million in lost revenues (based on current passport fees).

Therefore, in considering the future costs to deliver the service the Passport Service should review potential policy implications such as changes to passport entitlement and free passports as well as delivering services to an increasing population.

Currently, the way in which data relating to the Passport Service budgets and expenditure is recorded and reported does not allow for a detailed analysis of performance against planned budgets, nor does it easily allow analysis of the impact of policy changes. If the way in which financial data was captured and reported could be changed, this would provide the Passport Service with a greater level of MIS, provide increased levels of financial control and provide the Service with a greater level of accountability.

Furthermore, as noted in Section 7, there are large amounts of expenditure relating to Passport Service activities that are not accounted for under Passport Service budgets. This makes it difficult to ascertain the true cost of the Service and makes it difficult to calculate future funding requirements and set fees accordingly.

9.3 Efficiency

Given the different range of activities that are undertaken in each office it would not be meaningful to provide a comparative review of the efficiency of the individual offices. As such, in reviewing the efficiency of the Passport Service we have considered a number of factors:

- Activity levels
- Absence due to sickness, and
- Managing Customer Demand.

9.3.1 Activity Levels

In 2006, the Passport Service processed 691,313 applications, at an average cost of €56.20 per application processed.

As noted in Section 5 of this report, in the region of 65,000 of these applications were sent back to the customer for re-submission due to photographs not meeting the requirements for biometric passports. This impacts on the efficiency of the Passport Service, as these applications are effectively processed at least twice. The following table provides an overview of the cost to process applications from 2004 to 2006.

Table 31: Direct and Indirect Cost Per Passport Application (Cash-Based)

Year	Applications	Cost per application (Direct only) €s	Cost per application (Including indirect) €s
2004	586,889	54.47	54.88
2005	648,228	49.35	51.61
2006	691,313	54.71	56.20

The direct cost to the Passport Service to process applications remained relatively stable between 2004 and 2006. However, the total cost (direct and indirect) to process applications increased by 3% between 2004 and 2006. There are a number of reasons that could account for the increase in costs, such as the high levels of overtime incurred in 2006 following the implementation of biometric passports.

As noted previously, in 2006 over 65,000 applications were returned to customers for resubmission. These have in effect gone through the application process at least twice, having been identified as a rejection, and then again as a return application. If the number of returns could be reduced through enhanced public awareness of requirements, this would help to improve the efficiency of the Service generally.

One further way to consider the efficiency of the Passport Service is the overall cost per document. As shown in the following table the number of passports issued increased by 12% from 2004 to 2006.

Table 32: Cost per Passport Issued (Cash-Based)

Year	Passports Issued	Cost per passport (Direct only) €'s	Cost per passport (Including indirect) €
2004	550,000	58.12	58.56
2005	569,475	56.17	58.75
2006	614,215	61.58	63.25

One of the aims of the APS project was to increase the efficiency of the Passport Service by automating a wider number of tasks. To date, this has not occurred, as the table above shows the cost per document has increased by 8% since 2004 (direct and indirect costs). Whilst spending on a number of capital projects in both 2004 and 2006 will have impacted upon costs, 2005 also shows a slight increase.

As noted in Section 6, staff costs have steadily increased since 2003. The levels of overtime have also increased significantly during this time. In 2006 the staff costs to produce a passport equated to around 35% of the total fee (based on a standard adult ten year passport). The Passport Service experienced very high levels of overtime in 2006 following the implementation of the biometric passports. Initial data for 2007 also indicates that overtime in 2007 will also be high.

Table 33: Staff costs (including overtime) per Application Processed and Passport Issued (€s) (Cash based)

Year	Staff Costs	Cost per application	Cost per passport issued
2004	12,375,605	21.09	22.50
2005	16,314,081	25.17	28.65
2006	15,866,059	22.95	25.83

9.3.2 Sickness Absence

The level of staff absence due to sickness is another factor that impacts upon the efficiency of an organisation. In 2006, the Passport Service average sick days per employee was 8.9, compared to a Department-wide rate of 6.93. The highest levels of sickness were among the TCO and CO staff,

which accounted for around 90% of all sickness. In total, the Passport Service lost around 1,333 days due to sickness, and it is recognised that there is a correlation between staff grade and level of sickness.

To date, all of the Passport Service offices have exceeded the number of sick days per employee compared to the Department as a whole. The Molesworth Street Office has the highest levels of sickness with 11.18, and Cork has the lowest level at 7.35. An analysis of the sickness rates by Passport Office showed that there was a small number of staff who were on long-term sick leave for three months or more. When these staff are excluded from the analysis, the average number of sick days per employee fell to 6.2 days. The Passport Service should continue to review the level of sickness to ensure that it does not impact upon the efficiency of the organisation.

9.3.3 Managing Customer Demand

As noted in Section 5, the Passport Service experiences particular demands on service delivery from May to September. Traditionally, the Passport Service has managed this demand by employing temporary staff over the peak season and also by relying upon overtime. The Passport Service has the potential to improve efficiency by reducing the level of overtime and temporary staff required if they can manage customer demand and spread the workload more evenly across the year. The UKIPS also noted higher levels of demand during the summer months but to a lesser extent than the Irish Passport Service. Furthermore, the UKIPS do not engage in overtime or recruit temporary staff as it has a number of permanent staff on a compressed year basis.

9.4 Effectiveness

In reviewing the effectiveness of the Passport Service we have considered:

- Internal Performance
- Customer Service, and
- International Document Requirements.

9.4.1 Internal Performance

As noted in Section 3, the Department's Business Plan 2007 contains four specific objectives for the Passport Service with 13 related Business Unit actions as detailed in Appendix 4.

Four of the most salient actions are to:

- Work with HR in the recruitment of sanctioned numbers of staff
- Work with the Consular Section on the drafting of new passport legislation
- Improve public awareness of the Passport Service's photograph policy, and
- Reduce the rejection rate for photographs.

A number of these strategic actions, such as the recruitment of additional permanent staff and the drafting of passport legislation, have been implemented. However, a number still have to be completely implemented. As noted in Section 5, approximately 10% of applications are returned to

applicants because they are incomplete in some respect. Of these applications, the proportion rejected due to issues with photographs increased from 38% in 2006 to 56% in 2007. This would indicate that further work by the Passport Service to increase public awareness of photograph requirements is required. Furthermore, the number of rejected applications and re-submissions has also impacted negatively on the efficiency of the Service.

The PMDS allows each individual office to monitor staff performance, and can allow offices to benchmark on an individual and team basis. Broadly speaking, these reports have shown that staff have been meeting the individual targets set for them and are generally performing well. The APS can also produce a wide range of reports on each element of the passport processing system, which is at present not being fully utilised. It is possible that by combining data from the APS with the PMDS, the Passport Service could identify areas where improvements could be made to productivity, and thereby increase the effectiveness of the organisation.

9.4.2 Customer Service

The Passport Service provides a high level of customer service to the Irish public. There are the three public facing offices, Cork, Molesworth Street and London. As well as providing the standard hours service, a highly responsive out of hours service is provided in Cork and Molesworth Street, as well as same day emergency passport service during office hours.

From our review of the Passport Service, we have found that it is extremely accommodating to members of the public, especially in dealing with applicants who need their passports with a quick turnaround. As noted in Section 3, the most recent customer satisfaction survey was conducted in 2004, which was generally very favourable and reflected the high-level of public service that is provided.

The Passport Service has a customer level agreement to process Passport Express applications (PX and NIPX) within ten working days. Passport Service data indicates that 100% of all properly completed eligible PX and NIPX applications are processed within this timescale. However, available data would suggest that around 28% of all PX and NIPX applications are incomplete or are inaccurately completed. As noted in Section 5, the Passport Service should emphasise the various requirements of the application process to its customers.

9.4.3 International Document Requirements

Increasing demands on passport document security has impacted upon the workload of the Passport Service staff. In 2004, the Passport Service introduced the APS in order to produce a machine readable document that would meet many international requirements and allow Ireland to continue in the US waiver scheme. In 2006, Irish passport documents were further enhanced with the inclusion of a biometric chip that contains information to make the passport extremely difficult to forge or tamper with. Both of these projects have effectively brought the Irish passport up to the standards required of international travel documents.

9.5 Existing Key Performance Indicators (KPIs)

The existing targets for the Service, as set out in the Department's Business Plan 2007, are reasonably high level and do not directly relate to the operation of the Passport Service. Appendix 4 provides examples of the Passport Service business unit Actions and the extent to which they have been achieved.

9.6 Suggested Key Performance Indicators (KPIs)

The key areas relating to the overall performance of the Passport Service are service delivery, the productivity of the Service, the cost of the Service and the quality of the Service. These areas are of particular importance to the Service in order to ensure that it operates effectively and efficiently, and continues to meet its customer service demands.

Following an analysis of the overall performance of the Passport Service we developed a number of Key Performance Indicators (KPIs), which are aimed at improving the efficiency and effectiveness of the Service. The following table notes the KPIs, the rationale behind their selection and the current level of performance. The Department should set targets against these indicators and timescales in which the targets should be met.

Table 34: Suggested Key Performance Indicators

Suggested KPI	Rationale	Actions required	Current position
All correctly completed Passport Express applications should be processed within 10 working days.	To continue to meet customer service charter.	Raise public awareness of guidance (to improve quality of application) Where possible work with An Post and the Post Office to improve PX and NIPX applications Internal Review process to identify areas to improve processes Collect data that will allow the Passport Service to report progress towards the target	100%
Reduction in the proportion of applications that are returned to customers for amendment and resubmission.	To improve efficiency and to reduce the number of applications that are processed more than once.	Raise public awareness regarding application and photograph requirements. Raise awareness of the application guidelines provided online.	12.9 % of applications (2007)
Staff perform to agreed productivity levels	To contribute towards improved efficiency.	Set SMART productivity targets for individual staff and teams.	Data not yet available at this level
Reduce the level of staff sickness and absence	To improve efficiency.	Improve working environment Consider staff reward scheme Identify and resolve any local issues Implement task rotation	8.9 days (2006)
Reduction in overtime costs	To improve efficiency.	Improve processes to deal with peaks in demand Analyse overtime 'triggers'.	9% of total staff costs (2006)

Notwithstanding the KPIs noted above the Department may also wish to consider developing further KPIs that are specific to each of the functional areas within the Service, such as finance, customer satisfaction human resources, and security/integrity.

9.7 Recommendations

Based on our individual recommendation noted in Sections 5 to 8, we have summarised these into a Performance Improvement Plan, which covers all aspects of the Service.

9.7.1 Performance Improvement Plan

Number	Recommendation Description	Management Response
Levels and Trends of Output		
1	In order to manage the level of demand and improve processing efficiency, the Passport Service should further promote Passport Express and NIPX as the preferred method of application. The UKIPS has successfully done this through advertising campaigns and working directly with travel agents and the post office. The Irish Passport Service should consider a similar approach.	The Department agrees that as the most efficient mechanism, Passport Express and NIPX should be promoted. The Passport Office will meet with the postal services to explore how this might best be done, and will also look at the action taken by the UKIPS.
2	To emphasise the requirements of the application process, for example photographs, the Passport Service should develop a public awareness campaign, including targeting the Post Office and Travel Agents.	Comprehensive information on the application process is already provided on passport application forms, accompanying notes and on the Department's website. This material is kept under ongoing review to take account of customer feedback and changes in rejection rates for applications. The level of existing contact with the postal services will be intensified. However, the value of targeting travel agents appears limited.
3	The Passport Service should investigate ways in which to spread demand more evenly over the year (Examples could include enhanced advertising).	The Department will look at the options available. However, it should be noted that unsuccessful efforts were made in the past to spread demand including by offering a discounted fee for applications made at periods of low demand. Scope for enhanced advertising in particular is subject to budgetary constraints.
People		
4	In considering the level of demand and the recent implementation of APS, the Passport Service should undertake a detailed process review of the passport application process to ensure staff resources are appropriately matched to demand.	Agreed. In any event, changes in patterns of demand, in passport technology and arising from the international policy context require ongoing review. Passport office staff have undergone cross-training to permit greater flexibility to respond to pressures that may arise in particular areas of the service.
5	The Passport Service should consider providing a standardised training approach for core tasks, including refresher training courses for returning TCOs.	Training is broadly similar across locations. However, there is scope to ensure greater uniformity. The Passport Office is currently drafting a comprehensive manual of procedures which will support standardised provision of training.

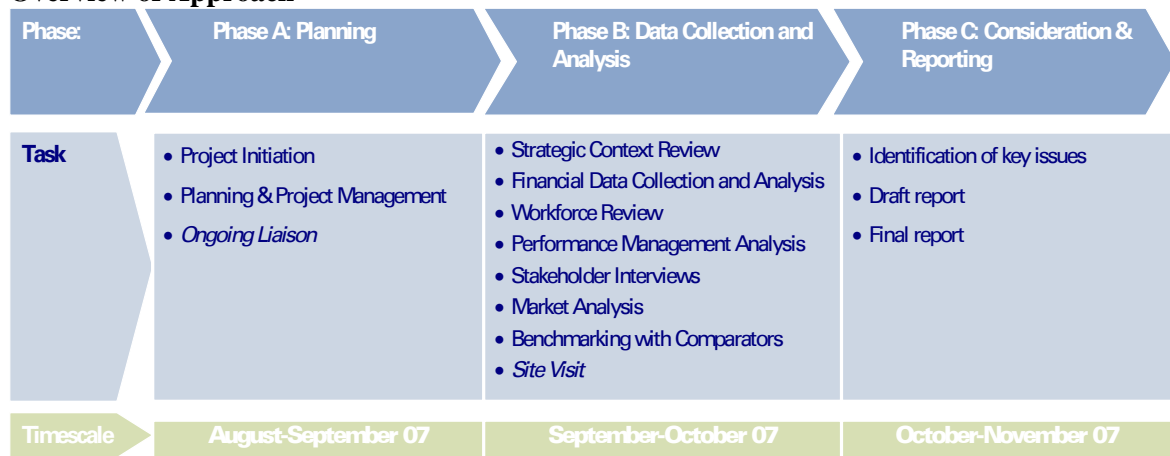
Number	Recommendation Description	Management Response
6	The Passport Service should make more use of the APS reporting systems in conjunction with PMDS to compare the different workloads across offices, the complexities of applications, and individual productivity and performance.	Individual role profiles and the management of individual and team performance are already largely based on APS data. However, more can be done to promote this practice across the passport offices and to benchmark performance of teams dealing with the same types of applications. Inter-office comparisons at a macro level are more difficult because offices handle different portfolios of applications.
7	The Passport Service should keep the level of overtime under close review in 2008. In particular, the Service should pin-point overtime triggers in order to anticipate and avoid overtime, where possible.	Overtime has been strictly controlled in 2008. The transfer of applications between offices and the assignment of temporary seasonal staff in good time, enabled turnaround times to be met with limited recourse to overtime. Total spending on passport office overtime for the first half of 2008 (€0.35m) was one third of the figure (€1.1m) for the equivalent period in 2007.
8	The Passport Service should continue to keep the level of absence under review, and should use this as a KPI against which it can try to reduce the level of sickness. As the sickness rate in the Molesworth Street Office is particularly high, the Passport Service (in conjunction with the Department's HR Section) should undertake a review of this office in order to address any specific issues.	The report notes that the average sick leave period is below the equivalent UK figure. Although Molesworth St has the highest level of sick leave of the three passport offices, the report notes that when long-term sick leave is excluded, the absence period for that office is reduced substantially to close to the general Departmental rate. Nevertheless, the Department will undertake a review of the position in the three main passport offices.
9	The Passport Service should consider a reward scheme that is appropriate to its circumstances to encourage a reduction in absence rates and increase productivity.	A proposal for an incentive scheme was turned down by the Department of Finance in 2007. The Department of Foreign Affairs will re-examine the options and consult with staff associations, before deciding whether to submit a revised proposal.
Financial		
10	An assessment of the future financial implications for the Passport Service arising from the impact of the policy waiver for over 65s should be undertaken to allow the Passport Service to plan for future financial requirements.	The waiving of passport fees for over 65s is established government policy. The Passport Office will estimate likely future levels of demand from over 65s and the level of potential revenue foregone.
11	The Passport Service should undertake a cost benefit analysis of producing passports in-house and outsourced before the end of the useful life of the current APS hardware.	This is an important priority for the Department to address. The analysis will need to take account of any changes in standards for international travel documents.

Number	Recommendation Description	Management Response
12	The Passport Service should develop a capital development plan to ensure equipment etc. is adequately provided for.	Agreed. However, the nature of the plan will depend on the outcome of the cost benefit analysis at 11 above.
13	More detailed MIS data should be produced, including direct and indirect costs, to enable the Service to become more accountable.	The Department has been aware for some time of the need for better quality data and has identified a number of priority enhancements to its MIS. Financial data produced by the Department for the review provide a good starting point.
14	The Department should develop a clear statement relating to the financial objectives of the Passport Service i.e. self-financing or otherwise.	The Department aims to provide a high quality and efficient passport service to the public. Passport fees are kept under ongoing review having regard to a number of factors including the level of costs involved in providing and maintaining this quality and efficiency of service.
Future Demands		
15	The Passport Service should plan the level of resources required to deliver services in the future, taking into account the level of population increases and associated increased travel.	Levels of demand are already tracked closely and short-term forecasts of demand are factored into the Department's Estimates submission. The Passport Office will make some more detailed forecasts having regard to factors identified in chapter 8 of the review including population change and patterns of travel.

Appendix 1 Detail of Scope and Approach

The scope of the Value for Money review spanned all of the Passport Service (including all Passport Offices as well as all of the missions and consulates abroad). The Value for Money review was conducted using the following approach:

Overview of Approach



Phase A: Planning

Project Initiation

A Project Initiation meeting with the Department of Foreign Affairs Project Steering Group was held in August 2007. This meeting was used to discuss and agree the scope and detail of the VFM review.

Planning & Project Management

Following the Project Initiation meeting, KPMG developed a detailed Project Initiation Document (PID). This contained a detailed project plan including milestones and reporting mechanisms.

Ongoing Liaison

Throughout the engagement, ongoing liaison and communication was important. At a strategic level this involved a monthly update on progress against the PID, and at an operational level this involved regular updates with the DFA in relation to the progress of the review.

Phase B: Data Collection & Analysis

Strategic Context Review

Relevant strategic documentation at national, local and organisational level was examined in order to consider the strategic context which drives the Passport Service function within the DFA.

Financial Data Collection & Analysis

Key financial data relating to the Passport Service was collected and analysed. This enabled the identification of specific areas of cost activity and the development of key cost and income indicators.

Workforce Review

Performance Management and Development Systems, and the Human Resource Management Systems were reviewed in order to identify the key data relating to the Passport Service workforce. This included recruitment statistics, sickness levels, training needs etc.

Performance Management Analysis

Subsequent to collecting and analysing the main cost and workforce data, and reviewing these within the strategic context of the DFA and Passport Service, it was then important to conduct performance management analysis. This involved:

- Identification of current KPI's as used by the Passport Service
- Identification and review of key trend data
- Analysis of income received by the Service
- Review of the use of MIS in driving improvements in the Service
- Review of the use of the current KPIs in driving service improvement
- Consideration of whether the Service meets current and future needs.

Stakeholder Interviews

A number of interviews were conducted with key stakeholders in order to inform the VFM review. These interviews were used to ascertain the views of stakeholders and gain more detailed information regarding the Passport Service, from a number of different perspectives.

Market Analysis

A market analysis was conducted in order to identify trends in the future which will have an impact on the Passport Service. This included an analysis of demographic trends and potential future policy developments, which will impact the future provision of passport services going forward.

Benchmarking with Comparators

A benchmarking process was undertaken in order to ascertain best practice in passport services internationally. Comparators included the Passport Services in the UK, Denmark and the Netherlands. The benchmarking analysis involved interviews with key personnel, and collection and analysis of key performance data such as costs, staffing etc. Site visits were made to both Denmark and the Netherlands in order to inform this section of the review. The UK, the Netherlands and Denmark were selected because they are comparable in terms of the nature of passports issued and each has a well developed passport service. In addition, these countries face many of the same challenges in delivering passport and consular services going forward, including, for example, limited funding and the need to demonstrate value for money, increasing demand, pressure to ensure that highest quality standards are met and the ongoing challenge of ensuring security is continually evolving to meet the demands of the population. The table below provides a high level overview of each country along key parameters, for comparison purposes.

Phase C: Consideration & Reporting

Identification of Key Issues

As a result of the work carried out in the previous phases, a number of key issues emerged. These related to areas of good practice, areas for improvement or areas that need more specific investigation.



[Draft & Final Report](#)

A draft report on the Value for Money Review was submitted to the Project Steering Group in December 2007. The draft report was amended in light of feedback from the Steering Group and the draft final report was submitted to the Project Steering Group in May 2008.

Appendix 2 DFA Strategic Objectives & KPI's

Objective	Strategy
Deliver a high quality passport service to the public	1 : Complete the implementation of the new automated passport issuing system by the end of 2005
	2 : Work with the REACH project and other agencies to provide on-line access to passport services
	3 : Pursue work on the development of biometric passports
Provide a high quality consular service to Irish citizens	1 : Work closely with Irish Missions abroad and, where appropriate, with Missions of other EU Member States, to ensure a fully effective response to the needs of Irish citizens abroad
	2 : Provide more comprehensive and up-to-date information on consular services, including travel advice
	3 : Advance the conclusion of bilateral prisoner transfer agreements with selected countries, in consultation with Missions abroad and the Department of Justice, Equality and Law Reform
Provide an effective visa service for people travelling to Ireland, in cooperation with the Department of Justice, Equality and Law Reform	1 : Implement, in conjunction with the Department of Justice, Equality and Law Reform a project to modernize and upgrade the visa issuing service in order to provide a faster and more effective response to visa applicants
Key Performance Indicators	
1: Meet the targets and maintain the service standards set out in the Department's Customer Charter	
2: Complete implementation of the passport project by end 2005	
3: Complete implementation of visa project by mid 2006	
4: Positive feedback from customers of passport, consular and visa services	

Source: Department of Foreign Affairs (2007)

Appendix 3 Description of Stages in the Passport Issuing Process in Passport Office Balbriggan

Stage	Description	Comment/Observation
Registration	Registration of PX envelopes containing applications and returns.	It is the practice of the PPOB to register all passport applications and returns on the system on the day of receipt. For applications, the process starts at 10.00am to coincide with the arrival of the electronic file from An Post containing fee payment details. The process for returns can start earlier. It is therefore general practice to assign more staff to these duties to complete the registration process in the morning.
Pre-scan	Preparation of application forms/returns and supporting documentation for scanning. The barcodes on the application forms and reject letters are entered into the system. All forms and documents are laid flat for the scanners. Photographs are affixed to the application form.	Delays in this process can occur if (1) photographs are dirty; (2) there are discrepancies between the actual PX envelopes delivered to the PPOB and the records on the electronic file received from An Post; and (3) reject letters are not returned by clients. In the case of the latter, staff have to search the system to link the return to the original application.
Scan	Scanning of all prepared applications, returns and supporting documentation	There are two scanners dedicated to this function. The machines frequently breakdown so there can be considerable downtime during this stage of the process. There is a third scanner that acts as a back up. Any problems with the system can lead to back logs in scanning.
ICR	Confirming and if necessary editing scanned data	Confirmation of data is done without sight of the actual application. The application may have to be re-icred if the judgement of data in the initial icr is incorrect.
Post-scan	Application forms, returns and supporting documents are placed in individual folders in preparation for checking	Delay with the transfer of data from the BUSY system (i.e. scanners) back to APS can hold up the transfer of applications to checking.
Checking	Passport entitlement is checked. Data and photograph for datapage and ePassport chip is checked and is either approved/rejected or suspended.	Poor icr-ing and low quality photographs may require the internal re-cycling of applications through scanning reject process before a decision to approve or reject can be made. Incomplete applications, missing documentation, issues relating to consent/citizenship may involve considerable contact by phone or by writing with the client and may result in the rejection or suspension of applications.
Scanning Rejects	Re-scanning and re-icring of applications	While the volume of scanning rejects does not necessitate a significant staffing level, the timeline required to process this requires a high level of staff commitment
Entitlement Audit	Audit of checked applications	Entitlement audit is one of the most important aspects of the passport issuing process and takes time in order to ensure correct decisions are made.
Production	Personalisation of passports for PPOB, PPOC and London	Downtime in production due to technical breakdowns and jamming of books in machines does occur. There is on-site technical support to keep this to minimum.
Dispatch	Personalised passports are associated with documents submitted with the original applications and dispatched in the post. Reject letters are also dispatched in the post.	Pressure points exist in terms of meeting set times for the collection of passports and reject letters for PPOB and books for PPOC and London. Difficulties arise when delivery of books to London and Cork go missing.

Appendix 4 Department of Foreign Affairs Business Plan 2007 (Passport Office Unit)

Relevant Strategies relating to this Objective	Business Unit Actions	Related	Current Status
1) Work to maximise the productivity of the Passport Service and the systems currently available in order to provide high quality passport service to Irish citizens at home and abroad	Work with HR in the recruitment of sanctioned numbers of staff for the Passport Service to enable the volumes of applications to be processed in an appropriate manner	<ul style="list-style-type: none"> Agreed staff levels are recruited in time for the Passport Service to meet published commitments for service 	Compliment of Full Time CO staff currently being put in place across the offices
	Undertake comprehensive annual training programme for existing and newly recruited staff	<ul style="list-style-type: none"> Productivity of new staff reaches set levels 	Standard training delivered to all new staff. Refresher training provided where necessary to be considered
	Continuously examine ways for the improvement of business and technical procedures	<ul style="list-style-type: none"> Regular meetings on CPI (Continuous Process Improvement) New Management and meeting structure to be in place by April 2007 Agree contingency and business resumption plan Develop and release new changes for the Passport system 	CPI meetings are held regularly both with management team and through staff meetings so this element has been achieved. New management structure in place
	Provide high quality passport service to Irish citizens at home and abroad	<ul style="list-style-type: none"> Meet our internal production Service Level Agreements with the Public through Molesworth Street and Balbriggan, with Missions and with PPOs Cork and London 	SLA targets successfully achieved
	Continue to promote partnership through the Partnership Committee in the Passport Office	<ul style="list-style-type: none"> Local Partnership meetings for the Passport Service to meet biannually 	Partnership meetings take place regularly
2) Work with ICT Unit, the Biometrics Project Team, FOI Section and Reach to improve systems available to the Passport Service	Promote the services provided by the Passport Office to both the public and Offices of the Department	<ul style="list-style-type: none"> Implement a public information strategy to highlight existing services Reduce the overall number of phone calls to the PPO and thereby improve the rate of calls answered by the PPO Reduce the number of complaints 	Detailed information on passport services is available at www.dfa.ie and www.passport.ie
	Publicise, including by participation in trade and holiday fairs, the effective access by the Public to accurate and up to date PPO information available over the internet		unknown
	Develop with ICT and the Biometrics Project Team new strategies to improve the quality of photographs provided with passport applications	<ul style="list-style-type: none"> Improved public awareness of the PPO's photograph policy Reduction in reject rate for photos and improved efficiency of the PPO operations 	Photograph policy promoted on website Rejection rate not reduced
	Work with ICT Unit to implement a new support and maintenance contracts for the Passport Service to incorporate biometric passport	<ul style="list-style-type: none"> New Agreement to be in place before end 2007 	The ICT contract will include the biometrics as well as the APS system
	Work with ICT, BE, REACH and D/SFA as appropriate to develop functionality for on-line application and PPSN Validation	<ul style="list-style-type: none"> Agree with REACH development timelines for on-line applications before the end of 2007 	Reach project on hold
3. Passport legislation	Work with Consular Section on the drafting of new passport legislation	<ul style="list-style-type: none"> New Passport Act 2008 	Act passed March
4 Work to improve accommodation in PPOM and PPOC	Work with Accommodation Unit and OPW to Refurbish PPOM	<ul style="list-style-type: none"> Phase 1 and 2 complete by February 2007. Phase 3 to start Autumn 2007 	Next stage of refurbishment of PPOM postponed to 2008.
	Work with Accommodation Unit and OPW to secure extra accommodation in PPOC	<ul style="list-style-type: none"> Extra accommodation to be secured and made suitable for the PPO 	Discussions on-going regarding accommodation in PPOC

Appendix 5 Comparator Data

UK Identity and Passport Service

In the UK Passports are issued by the Identity and Passport Service, an Executive Agency under the Home Office, which was created in 2006 following the merger of the Passport Service and the Home Office Identity Cards team. The UK does not have a Passport Act.

There are 12 passport offices across England, Wales, Scotland and Northern Ireland, and the UKIPS is in the process of opening up 69 new offices across the UK to enable them to enforce face-to-face interviews with first time applicants. The UKIPS introduced biometric passports in 2006.

Processes and activity levels

UK citizens can apply for a passport by post or in person at a passport office; the following table provides an overview of the type of passports available and their associated fees.

Type of Passport	Fees £'s	Length of validity
Standard adult	72	10 years
Child's	46	5 years
Adult renewal same day service	114	10 years
Jumbo (48 page)	85	10 years

Standard passports are available free of charge to adults born on or before 2 September 1929.

No emergency passports are issued, only full documents. Consulates can issue one-way travel documents to allow citizens to return to the UK.

In 2006 the UKIPS issued 6.2 million passports. Around 500,000 applications are received annually from FCOs abroad.

The UKIPS received core government funding (Home Office) of £33m and generated income from fees of £355m, giving total agency expenditure of £395m. The average unit cost per passport is £58.38.

The production of the passport documents is outsourced to Siemens. Siemens staff and UKIPS staff work together in the same offices across the UK undertaking slightly different roles. For example' Siemens staff open the post, check the supporting documents and scan the applications into the system. The application is then examined by a UKIPS examiner who makes the decision. Each office has a Siemens manager and they have weekly SLA targets. The documents are produced centrally in Manchester

UKIPS introduced flexible staffing arrangements to reduce the need for temporary staff, and many staff are recruited on a part year or compressed contract where they work for eight to nine months of the year. There is no over-time.

The UKIPS have a number of Key Performance Indicators (KPIs), including:

- 99.5% of straight forward applications are to be turned around in 10 days
- A unit cost of £58.32 per passport (excluding external charges and FCOs)
- Ensuring that staff absence does not exceed 9.5 days per FTE, and
- Achieving an accuracy rate of 99.75% of passports issued.

Netherlands Passport Service (BRP)

The Netherlands Passport Service is an agency under the aegis of the Ministry of Interior and Kingdom Relations. It is responsible for policy and legislation relating to travel documents and national identity cards.

All Dutch passports, driving licenses and identity cards are issued through the municipalities system, whereby all citizens must provide their local municipal body with information from birth. All citizens must comply and all authorities are obliged to use the data collected by the municipalities. The Netherlands Passport Act provides the legal basis for the administration and issuing of Dutch travel documents (including refusals and revocations).

The fees relating to the main types of passports are shown in the table below.

Type of Passport	Fees	Length of validity
Standard adult	48.35	5 years
Child's	42.19	5 years
Emergency	89.35	5 years
Jumbo (48 page)	54.00	5 years

Around 1.8 million Dutch passports are issued annually and there are around 50 million Dutch passports in circulation. To apply for a passport, Dutch citizens must go in person to their local municipality (there are 430 in the Netherlands) with a completed form and an appropriate photograph. As Dutch citizens are required to have an identity card, the municipality will have access to the database to verify their right to a passport.

The Netherlands Passport Service outsources the production of the passport document to a private firm (SDU). There is a SLA in place for SDU to deliver the passports to various issuing municipalities within three working days. The passports are sent back to the municipalities via secure couriers and must be signed for by municipality staff. The average cost to issue a passport is €26.42 and the Service is mostly self-financing. It is not possible to say how many staff are responsible for issuing passports as the staff at the municipalities have a much wider role - they are also responsible for registering birth, deaths and marriages and issuing national identity cards.

Approximately 15,000 applications are received daily.

Passport Service in Denmark

The Police Commissioner under the Department of Justice is responsible for issuing passports in Denmark and like the Netherlands, it done through the Municipalities. The Municipalities also issue driving licenses and certificates of births, marriages and deaths.

Citizens must apply to the Municipality in person with a completed form and an appropriate photograph. There are 98 Municipalities across Denmark. The Danish passport also has a micro chip that is capable of storing two forms of biometric (finger prints and facial recognition).

The production of the passport document is outsourced to a private company, and there is a SLA for the company to produce the documents within five working days once the data has been received from the municipalities.

Type of Passport	Fees DKKs	Length of validity
Standard adult	600	10 years
Emergency	600 (+courier fees)	10 years
Over 65 years	300	10 years

Passports are sent out to the citizen from the supplier by ordinary post. The supplier is paid 100DKK to produce each passport.

International benchmarking summary table

Country	Ireland	UK	Netherlands	Denmark
General				
1. Responsible Ministry	Department of Foreign Affairs	The Home Office	Ministry of the Interior and Kingdom Relations	Ministry of Justice
2. Approximate Number of Citizens (2007)	4,109,000	60,776,238	16,570,613	5,468,120
3. Estimated No. of Passports Issued Annually (2006)	620,000	7,000,000	1,790,026	650,000
Organisation				
4. National Organisation responsible for issuing documents	Department of Foreign Affairs	United Kingdom Identity & Passport Service	Personal Records & Travel Documents Agency	National Commissioner of the Danish Police
5. Issuing Authority	Department of Foreign Affairs – Passport Office	UK Passport Office	Municipalities	Police
6. No. of locations Nationally	2	7 (with 69 new local offices to be opened for face-to face interviews)	546	150
7. Organisation responsible for issuing passports abroad and emergency travel documents	Department of Foreign Affairs, Embassies, and Consulates	Foreign and Commonwealth office	Embassies, Consulates, Authorities Dutch Antilles and Aruba	Ministry of Foreign Affairs, National Commissioner of the Danish Police
8. Application method	In person or by mail	First time applicants in person, renewals by mail or in person	In person	In person
9. Approximate Delivery time	10 working days or less if there are immediate travel plans	10 days	5 days or 24 hours for express procedure	Between 5-7 days
10. Distribution Process	By registered mail or personal collection by applicant	Sent by secure delivery to applicant	Collected in person by the applicant from the municipal office	Sent by ordinary mail to applicant
Document				
11. Types of documents issued	National Passport, Large National Passport, Diplomatic Passport and Official Passport	National Passport and Business "Jumbo" Passport	National Passport, Business Passport, Diplomatic Passport, Service Passport, Refugee Passport, Alien Passport, Emergency Passport, Laissez-Passer	National Passport, Passport for Faroe Islands and Passport for Greenland
12. Price of Passport in Country (standard - adult passport)	€75	€98	€47	€ 80
13. Average price passport	Standard passport €7.50 * Large passport €10.00 * Children under 18 years €5.00	Adult £ 5,10 = approx € 7,46 * Child £ 3,40 = approx. € 4,97	€ 9,49	60 Danish Krone = approx. € 8,00 for 18 - 65 years. 35 Danish Krone = approx. € 4,70 over 65 years, 57,5 Danish Krone + approx. € 7,70 for 0 - 2 years and 23 Danish Krone = approx. € 3,00 for 2 - 18 years.
14. Annualised cost per standard passport	€7.50	€9.80	€9.40	€8.00
15. Validity term (standard)	10 years	10 years	5 years	10 years
16. Validity term of emergency document	Up to 1 year	Up to 1 year	Up to 1 year	Up to 1 year
E-passport / Biometric Features				
17. Biometrics included	Yes	Yes	Yes	Yes
18. ICAO compliant	Yes	Yes	Yes	Yes
19. Facial recognition (since)	October 2006	March 2006	August 2006	August 2006
Further Information				
20. Website	www.dfa.ie	www.passport.gov.uk	www.paspoortinformatie.nl	www.politi.dk

Source: The European Forum for Travel Documents Statistics (Updated: Ireland - Dec 2006; UK - Nov 2005; Netherlands – April 2007; Denmark – Nov 2005)

Appendix 6 Passport Applications by Type and Office % (2007)

Application Type/Office	Balbriggan	Cork	London	Molesworth St.
Nipx Application			0.41	18.78
Nipx Return	0.01		0.04	2.34
Ordinary Post Applications	3.31	5.62	57.39	8.05
Ordinary Post Returns	2.25	1.24	3.73	1.93
Passport Express Applications	78.57	58.72	9.43	6.47
Passport Express Returns	15.25	10.09	0.01	0.01
Registered Post Applications	0.59			
Registered Post Returns	0.02			
Counter Applications		18.17	25.33	25.88
Counter Returns		1.67	0.58	3.00
Counter Temporary Applications		4.29	3.08	7.30
Drop Box Applications		0.21		0.29
Honorary Consul Official				0.21
Special Desk Dpt Applications				0.75
Other				3.38
				21.37