

**Public Accounts Committee 19<sup>th</sup> June 2014**

**Speaking Note for insertion into 5 minute opening statement by Chief Executive of the Road Safety Authority Moyagh Murdock**

I wish to thank the Chairman and Committee for giving me an opportunity to appear before the Public Accounts Committee to assist in the Committees examination of Chapter 14 ; Cash Balances in the Road Safety Authority in the 2012 Annual Report and Appropriation Accounts of the Comptroller and Auditor General.

As a brief update on Road Safety to begin with I would like to bring to the attention some important facts:

Notwithstanding the personal loss and impact on families and society in general, reducing the number of serious collisions on our roads has a significant financial benefit also. A recent evaluation of the Road Safety Strategy 2007-2012 commissioned by the RSA states that the impact and effectiveness of the Strategy equates to a saving over the period of 686 fatal collisions, 1312 serious injury collisions, and 649 minor collisions. This equates to a monetary saving of €1.85 billion to society and the exchequer in general.

In the ten year period from 2003 to 2013, road fatalities reduced from 335 to 190. This represents a 43% decline. Over the same 10 year period, injuries reduced from 8,262 to 6,962, which represent a 16% decline.

As part of my submission today I have included a detailed report on the financial history of the RSA including revenue and expenditure; how the revenue and cash reserves have been utilised in the delivery of the first Road Safety Strategy from 2007 to 2012 and how the Authority has reduced its dependence on exchequer funding over recent years against a backdrop of assuming a number of additional statutory functions including:

- Commercial Vehicle Testing which saw the transfer of the functions of local authorities in relation to the roadworthiness testing of commercial vehicles to the RSA
- The National Driver Licence Service
- Approved Driving Instruction Regulation
- Regulation and Provision for the Certificate Professional Competency for Bus and Truck Drivers
- Carriage of Dangerous Goods Regulation

All these additional functions were assigned to the Authority in accordance with statute and following detailed discussions with the Department of Transport Tourism and Sport on their

funding and resourcing. The additional statutory functions assigned were conditional on the Authority funding the services from its own resources.

(At this point I would like to express my sincere thanks on behalf of the RSA to you as elected representatives and to all you colleagues in all parties in the Dail for the encouragement and support provided to us as we implemented the 2 major projects in 2013 namely CVRT and the NDLS. These were significant developments and not without some hick-ups along the way but I am happy to report we are in a much better place and further improvements will be delivered in the coming 12months.)

As outlined in the detailed submission, the Authority has been funded through a combination of Exchequer and non-Exchequer funding. The Authority's Exchequer allocation for 2014 is €3.37 million, which represents 5% of its projected income for the year. The remaining 95% emanates from revenues generated by the services provided by the Authority such as Driver Testing, Licensing, Commercial Vehicle Roadworthiness Testing and National Car Testing. Both the Department and the Authority fully expect the Authority to be entirely self-funding in 2015. It is in that context that the Authority and the Department see it as appropriate that reserves are in place to ensure the Authority is on a secure financial footing in the medium term. In any organisation it is considered good financial management to manage its affairs prudently, to make provision for unforeseen expenditure, and to have adequate liquidity on hand to cover short to medium term cash flow demands.

The reserves held by the Authority are essential in allowing the Authority implement initiatives set out in the Government's 2013 to 2020 Road Safety Strategy as they allow it to withstand unpredictable costs which can be incurred during early stages of some the major change projects, e.g. Commercial Vehicle Roadworthiness Reform Programme and the National Driver Licence Service.

The latter part of the detailed submission deals with the recommendation raised in the C&AG Audit of 2012. This has been adopted and I as the Chief Executive Officer of the Authority meet with the Road Safety Division of the Department on the last Tuesday of every month to present our latest achievements, KPI's, road safety issues and future plans. This monthly meeting is used to update the Department on the Authority's performance in respect of each of its public service delivery requirements contained within the 2013 Service Level Agreement.

## **Conclusion**

I believe the C&AG Report on Cash Balances in the RSA demonstrate that the Authority has exercised prudence and good financial management in the course of its operation in terms of its reserves.

I also believe that the Road Safety Authority has continued to make very significant and demonstrable progress in improving Road Safety in Ireland through effective use of its reserves

and previous exchequer funding. In the most recent rankings, Ireland was 6th in Europe in terms of Road Safety and this is in no short measure down to the continued investment in reform programs, driver education, training and testing, enforcement and engineering. Unfortunately in 2013, we had 190 fatalities which was an increase of 28 on 2012 and demonstrates that there remains considerable scope for further achievements. So far in 2014 we are in-line with the same number of fatalities in 2013.

The successes of the past indicate that further progress can be made provided effective policies and strategies are put in place and are resourced and funded appropriately into the future.

The RSA has dealt with the complex legacy issues which we inherited with many of the public services now under the Authority's remit at no additional cost to the Exchequer and I am confident we will continue to do so into the future.

Ends