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Houses of the
Oireachtas

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An Coiste um Fhormhaoirsiú Buiséid
**An Tuarascáil Deiridh ar an gcreat le haghaidh
rannpháirtíocht pharlaiminte le linn an timthrialla buiséid**

Feabhra 2021

Houses of the Oireachtas
Committee on Budgetary Oversight
**Final Report on the framework for parliamentary
engagement throughout the course of the budgetary cycle**



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Membership



Richard Boyd-Barrett TD

Solidarity – People Before Profit



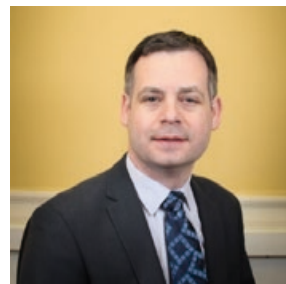
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Fine Gael



Patricia Ryan TD

Sinn Féin

Foreword



The Select Committee on Budgetary Oversight was instructed by Dáil Order to consider Standing Order 219(3), requesting that the Committee consider the overall framework for parliamentary engagement throughout the course of the budgetary cycle and make recommendations thereon to the sub-Committee on Dáil Reform.

The Committee has undertaken this work in two phases. In November 2020, it published its Interim Report, setting out the areas which it considered as presenting opportunities in which to strengthen the framework for budgetary scrutiny within the Oireachtas.

The Final Report examines these areas further, following consultation with stakeholders. Stakeholders include representatives of IFAC, the ESRI, the OECD, the National University of Limerick and officials from the Department of Public Expenditure and Reform and other International Parliaments. The Committee also consulted with other sectoral Committees within the Oireachtas and Government Ministers.

On behalf of the Committee, I would like to thank all stakeholders who have engaged with the Committee in recent months. These engagements have provided a depth of knowledge and experience to the Committee which has been essential in its work.

In addition, I would like to thank the Committees, Government Ministers and Departments who have engaged with this Committee through their written responses. I would also like to further thank the Minister for Public Expenditure and Reform and the Minister for Finance for meeting with the Committee to discuss this important area.

The Committee is of the opinion that budgetary engagement by the Houses of the Oireachtas should be reshaped in a manner that puts parliamentary committees at the heart of the scrutiny, co-ordinated and driven by the Committee on Budgetary Oversight.

This report represents a strong vision that is required to set out the guiding principles for a new parliamentary budgetary framework. The Committee believes that Ireland should aim to become an international exemplar of best practice with regard to how Parliaments can undertake effective budgetary scrutiny.

The Committee has now met its requirements as set out by the Dáil Order and looks forward to further engagement with stakeholders in order to achieve this vision.



Neasa Hourigan TD.
Committee Chair

Executive Summary

This final report considers the overall framework for parliamentary engagement throughout the course of the budgetary cycle and makes recommendations thereon to the sub-Committee on Dáil Reform.

On 28th July 2020, the Committee on Budgetary Oversight received an instruction from the Dáil that it was to undertake this consideration as set out in Standing Order 219(3). The Committee decided that it would address the Dáil Order in two stages, resulting in both an interim and final report. The interim report gathered evidence and identified issues that currently exist in the parliamentary budget cycle and highlighted potential barriers to making the cycle more effective.

Following its publication, the Committee consulted with a range of stakeholders including the Organisation for Economic Co-Operation and Development (OECD), the Irish Fiscal Advisory Council (IFAC) and officials from the Department of Public Expenditure and Reform, and other national parliaments. As per Standing Order 219(3), the Committee also consulted committees and Ministers impacted by the proposals in the report.

The recommendations set out in the final report are the outcome of this careful consideration.

The Committee are of the opinion that the Houses of the Oireachtas should be reshaped in a manner that puts parliamentary committees at the heart of the scrutiny, co-ordinated and driven by the Select Committee on Budgetary Oversight. To deliver this, the Executive and the Houses of the Oireachtas should work together to strengthen the framework on how Parliaments can undertake effective budgetary scrutiny.

Underpinning this should be an integrated committee-wide approach to budget and performance scrutiny, with clearly defined roles, and follow-up by committees on the recommendations of the Committee of Public Accounts and the Committee on Budgetary Oversight.

The recommendations in this report specifically consider several areas including:

- Financial and performance oversight by Oireachtas Committees
- Pre-Budget Scrutiny
- supplementary estimates
- Scrutiny of the Finance bill
- work of the Committee on Budgetary Oversight
- and the Provision of data, information, briefing material and support
- and ex-post scrutiny

During this process, the importance of effective budget scrutiny by parliamentarians became very clear. Considering this, the Committee believes that the actions set out in this report provide a blueprint from which Ireland can become an international exemplar of best practice with regard to budgetary and financial scrutiny.

Actions proposed by the Committee

- *Financial and performance oversight by Oireachtas committees*

Action 1: The Revised Estimates should be published by the 1st December and referred to the relevant Committees before the year-end. Committees should consider the estimates no later than the 31st January in the budget year.

Action 2: Sectoral Committee should be required to report any observations, comments or objections they may have in relation to the proposed Estimate to the Dáil not later than 14 days after considering the Estimate.

Action 3: Sectoral committees should meet to consider the chapters of the PSPR that relate to its area of oversight in May, with the Committee on Budgetary Oversight responsible for scrutinising the report as a whole, including the types of data included, the layout, potential improvements etc.

Action 4: Oireachtas committees should move to a 'year-round', structured calendar of meetings focusing on financial developments and performance scrutiny as set out in table 1.

- *Pre-Budget Scrutiny*

Action 5: From 2021 onwards, the Committee will place a renewed focus on using expert publications and analysis as the starting point for pre-budget scrutiny. This will be used to establish the Committee's view of key budgetary priorities.

Action 6: Upon the establishment of the key priorities, the Committee will engage with the relevant sectoral Committees with the view to receiving costed budgetary measures to address the priorities. In developing these measures, sectoral committees should engage with the relevant department and any stakeholders that it sees appropriate.

Action 7: This Committee will work with the Committees Secretariat, the PBO and DPER in order to devise a timeline that will allow for sectoral committees to align their work with the Committee on Budgetary Oversight so as to provide for a more integrated approach to pre-budget scrutiny by Oireachtas committees.

- *Supplementary Estimates*

Action 8: Where a substantive supplementary estimate is required, it should be scrutinised by the Committee on Budgetary Oversight. However, depending on the number of substantive supplementary estimates in a given year, only supplementary estimates in excess of a specific threshold will be scrutinised by the Committee.

- *Scrutiny of the Finance Bill*

Action 9: The Committee on Budgetary Oversight will, shortly after the Budget each year, lay a post-Budget report before the Dáil, and send it to the Committee on Finance, Public Expenditure & Reform and the Taoiseach for use during consideration of the Finance Bill.

- *Work of the Committee on Budgetary Oversight*

Action 10: The Committee will lay a pre-SPU report before the Dáil, commencing in 2021.

Action 11: The Standing Orders of Dáil Éireann which relate to the Committee on Budgetary Oversight should be amended to provide a strengthened role of the Committee with regard to public capital investment.

Action 12: From 2021 onwards, scrutiny of tax expenditures will be a standing meeting(s) on the annual work programme of the Committee on Budgetary Oversight. In the first year, a particular focus of the Committee will be the implementation of the recommendations contained in its 2019 report.

- *Provision of data, information, briefing material and support*

Action 13: The Committee recommends that each sectoral Committee should engage with their corresponding line departments with regard to how the quality of financial and performance information they receive could be enhanced to make their scrutiny more effective. This engagement should occur no later than 31st May 2021 and result in a report with recommendations.

Action 14: In advance of any meeting on matters relating to financial or performance scrutiny, briefing material should be supplied to committees by departments at a minimum of 14 days in advance. This will allow secretariats to revert with any additional questions or requests for supplementary information.

Action 15: A standard Estimates Questionnaire template should be designed by the PBO, working with the Committees Secretariat and DPER. This should be augmented with supplementary questions by individual committees.

Action 16: The Where Your Money Goes website should be expanded to become a performance budgeting portal. In developing this aspect of the website, the Department of Public Expenditure and Reform should consult with the Parliamentary Budget Office in order to ensure it is designed in a manner that allows parliamentarians obtain insightful data easily.

Action 17: The PBO should provide scrutiny capacity building sessions to Members and their staff, focusing primarily on matters relating to financial performance. However, in the case of Members of the Committee on Budgetary Oversight, a more expansive subject-matter is likely to be required.

- *Ex-Post Scrutiny*

Action 18: The committee recommends that a recommendations tracker be introduced to monitor and follow up on recommendations made by both the Committee on Budgetary Oversight and the Committee on Public Accounts and will work in collaboration with PAC to progress this point.

Introduction

Under Standing Order 219(3) of the Dáil, the Committee on Budgetary Oversight may *consider the overall framework for parliamentary engagement throughout the course of the budgetary cycle and may make recommendations thereon to the sub-Committee on Dáil Reform*. This Standing Order also requires that in doing so the Committee must consult with any Committees or Ministers of Departments who, in the opinion of the Committee on Budgetary Oversight, are likely to be impacted by any recommendations that may arise.

On 28th July 2020, the Committee on Budgetary Oversight received an instruction from the Dáil that it was to undertake the work set out in Standing Order 219(3) and report before 26th November 2020. Following the making of an interim report by the Committee, the date for reporting back was extended to 25 February 2021 by order of the Dáil on 2 December 2020.

In 2020, voted government expenditure was in excess of €85 bn. In the coming years, complex budgetary decisions will be required as the government will be required to reduce the increased level of support provided to support the economy and the health service during the Covid-19 pandemic. Monitoring these decisions, in the both the short and medium term, on the delivery of public services will make parliamentary oversight of the budgetary process even more important than it has been up to this point and vital in planning the long term viability of the Irish economy.

Nonetheless, regardless of Covid-19, parliament has a “fundamental role in authorising budget decisions and holding government to account¹”. Recognising this, in the wake of the last recession, the OECD was commissioned to undertake a review of the role of the Oireachtas in budgetary matters, resulting in the publication of a *Review of budget oversight by parliament: Ireland*. This report resulted in the implementation of a number of significant initiatives, most notably the establishment of the Committee on Budgetary Oversight and of the Parliamentary Budget Office (PBO).

From examining the experience of international parliaments, it is clear that there is no ‘one-size fits all’ approach to how parliament should interact with the budgetary process. As observed in OECD (2015):

“The budgetary oversight culture of the legislature also reflects factors such as the constitutional division of responsibilities, party and electoral systems, whether governments traditionally have large majorities or whether coalition governments are

¹ OECD (2019), *Budgeting and Public Expenditures in OECD Countries 2019*, OECD Publishing, Paris.

the norm, and constraints related to the level of mandatory spending and available fiscal space².”

Therefore, there is a requirement to identify the issues that may hinder, or lead to sub-optimal, parliamentary engagement in the budgetary process and put forward actions to address these.

² [Parliament-role-in-budgeting.pdf \(oecd.org\)](#)

Process to date

The Committee decided that it would address the Dáil Order in two stages, resulting in both an interim report and final report. The objective of the first phase was to gather evidence and identify issues that currently exist in the parliamentary budget cycle and highlight potential barriers to making the cycle more effective. This was informed by engagements with the PBO and the Department of Public Expenditure and Reform (DPER), in addition to the support of the Committee Secretariat. The Committee produced an interim report in November 2020 which marked the conclusion of phase one of the Committee's work.

The interim Report highlighted a number of areas that the Committee identified as priorities for improvement, including a more collaborative pre-budget scrutiny process, more holistic consideration of financial performance, the work of the Committee on Budgetary Oversight and the treatment of the Finance Bill. In the report, the Committee highlighted the opportunity for the increased involvement of sectoral committees in pre-budget scrutiny, while acknowledging the requirement for timely provision of data by Government and its departments. The Committee also noted the potential of performance budgeting in developing evidence-based decision making processes during the budgetary cycle and in facilitating parliamentary oversight of public expenditure and expressed a view that the state should have an ambition to demonstrating international best practice in this area

Using the interim report as a basis for consultation, the Committee commenced the second phase of the process which comprised consultations with stakeholders impacted by the proposals contained in the report as per Standing Order 219(3). The stakeholders included: other Oireachtas committees, Ministers and Departments. The Committee also consulted with the OECD, staff of other national parliaments, namely Canada, UK, Austria and Scotland, and experts from the ESRI and University of Limerick. The consultations provided an opportunity to discuss the existing framework in light of international best practice with a view to delivering a more comprehensive set of actions that would serve to strengthen the current level of parliamentary engagement in the budget process.

As per Standing Order 219(3), the Committee may make recommendations in relation to the overall framework for parliamentary engagement throughout the course of the budgetary cycle to the sub-Committee on Dáil Reform for that Committee's consideration under Standing Order 119(1)(b) but must consult with Committees and Departments who may be impacted by any recommendations of the Committee. The Committee therefore conducted direct consultations with sectoral committees in order to determine their views

on the issues raised in the Interim Report, and in addition, the Committee also consulted with each government Minister with regard to the implications for their Department(s). The responses received are attached in Appendix A of this report.

The Committee also met in public session with the Minister for Finance and the Minister for Public Expenditure and Reform to discuss the potential for enhanced parliamentary engagement in the budget cycle and the capacity of the Executive to support such an enhanced framework.

Interim report and issues identified

In its interim report, the Committee highlighted the following areas of priority which would be focused on as part of the second phase of work:

- More co-ordinated committee-wide pre-budget scrutiny
- Potential to move to a year-round financial calendar
- Treatment of the Finance bill
- Treatment of Supplementary Estimates
- Potential benefits of effective performance budgeting
- The Work programme of the Committee itself

In the interim report, the Committee expressed the view that targeted reforms could strengthen parliamentary input during the budget cycle, which would result in improved outcomes from public spending.

The Committee highlighted the opportunity for increased involvement of sectoral committees in pre-budget scrutiny, while acknowledging the requirement for timely provision of data by Government and its departments. The Committee noted that there are areas in which Ireland performs well but has the potential to become an exemplar. One such area is using best practice performance budgeting to improve the level of budgetary scrutiny that can be undertaken by sectoral committees. Sectoral committees' scrutiny of Estimates could be complemented by meetings on the Public Service Performance Report (PSPR) and a mid-year review of in-year expenditure pressures. This would enable the Committee on Budgetary Oversight to focus on issues such as revenue, the overall fiscal stance, longer-term sustainability, debt and any fiscal risks, in addition to identifying the priority areas to be considered by sectoral committees.

The Committee also considered its role post-budget, and what would represent optimal scrutiny of the Finance Bill. The Committee is of the opinion that, considering the extent of the work it undertakes in advance of the budget, it should have a stronger role in post-budget scrutiny. The Committee considered how it could support the work of the Finance

Committee in scrutinising the Finance Bill by undertaking year-round specific reviews of key sections, particularly those parts of the Bill that relate to revenue raising measures.

In order to better understand how Ireland compares to other international parliaments, during Phase I the Committee considered the engagement of the Oireachtas in the budgetary cycle in the context of international norms and best practice. This analysis was enhanced during a meeting with representatives of the OECD who identified four key areas in which Ireland was particularly weak relative to other OECD countries. These were:

1. Amendment powers for expenditure proposals
2. Budget approval starts after budget
3. Limited role in scrutinising Medium-term budget framework strategy
4. Committee Organisation

It should be noted that the Committee recognises the primacy of the Executive with regard to budgetary matters and does not wish to make recommendations that will frustrate that or cause 'bottle-necks'.

However as noted in the OECD 2015 report 'In general, the government (i.e. the executive) has primacy, to the point of dominance, in budgetary matters. While Dáil deputies may table amendments (within tightly-restricted bounds) to tax legislation, expenditure proposals may not de facto be adjusted at all in parliament. In addition, the Dáil vote on expenditure does not take place until after the budget year has begun. In this context, many stakeholders and participants question whether the budget scrutiny processes of the Houses of the Oireachtas and its committees are meaningful or impactful.'

The Committee also recognises the importance of seeking to ensure that any changes to the parliamentary budgetary framework do not impose a burden in terms of additional workload on a committee that would outweigh the benefits. The recommendations that follow in this report set out to improve the effectiveness of Parliament in terms of budgetary oversight.

Summary of consultation process

As set out above, Standing Order 219 (3) of Dáil Éireann requires that in undertaking this work, the Committee on Budgetary Oversight must consult with;

- “the Committees established pursuant to Standing Order 95 on any recommendations which, in the opinion of the Committee, impact on their role or remit”; and
- “the relevant Minister or Ministers on any recommendations which, in the opinion of the Committee, impact on the role or remit of a Department or Departments”.

In order to meet the requirements of Standing Order 219(3), the Committee on Budgetary Oversight engaged in a process of written consultation with sectoral committees who would likely be impacted by any reforms to the existing framework for parliamentary engagement with budgetary matters. With regard to undertaking consultations with Ministers, the Committee wrote to all Government Ministers, with the exception of the Minister for Finance and the Minister for Public Expenditure & Reform who met with the Committee on the 9th February 2021. The written responses received by the Committee are contained in Appendices C of this report.

In total, the Committee wrote to 13 sectoral committees, and also to the Committee on Public Accounts (PAC), receiving eight responses which are summarised below.

Consultation with Committees

Support and Briefing

In general, committees responded positively to the prospect of taking a stronger role in financial and performance scrutiny, with the Committee on Foreign Affairs and Defence (CFAD) suggesting a “generic detailed scrutiny process could be developed”. However, capacity concerns were highlighted by many committees, including the Committee on Transport and Communications Networks (CTCN) who stated that “financial scrutiny is one of a number of competing priorities.” The Committee on Children, Disability, Equality and Integration (CCDEI), proposed that training for Members may allow for committees to have an effective and clear impact on the process.

The provision of clear and insightful data, briefing and information must be a cornerstone of any parliamentary budget framework. In this regard, Committees report varying levels of satisfaction with regard to the provision of this material. A number of committees, including Committee on Media, Tourism, Arts, Culture, Sport and the Gaeltacht (CMTACSG), the CTCN, the CFAD and Committee on Social Protection, Community

and Rural Affairs (CSPCRA,) stated that the information they receive is either “not transparent”, “unclear”, “not useful” or not providing “evidence of a department’s performance”. Where a committee is happy with the information it receives, there can be frustration with the tardiness at which it is received by Members. In particular the Committee on Finance, Public Expenditure & Reform and the Taoiseach (CFINPERT) and the Committee on Education, Further and Higher Education, Research, Innovation and Science (CEFHERIS) have made this point, with the latter highlighting that this leaves little time for the Committee or its secretariat to undertake a detailed analysis.

There is a clear appetite amongst committees for improved performance information with regard to outputs and outcomes, while the CSPCRA express a wish for committees to be able to have a greater role in setting departmental goals. Caution is urged however by the CFAD that performance information should not be the sole basis of measuring performance and value, while the CFINPERT highlight that focusing only on annual performance metrics may not capture the benefits of long-term investment.

The PAC also communicated its frustration with regard to the absence of ‘joined-up’ linkages between “planned expenditure and planned outputs/outcomes, and between actual expenditure and actual outputs/outcomes”. The PAC also highlighted that its new VFM Mandate under Standing Order 218(2) would be “significantly improved” by a strong performance budgeting and reporting framework that would make these linkages.

Estimates and performance scrutiny calendar

Committees were asked to provide an opinion on moving towards a ‘year-round’ calendar for financial scrutiny, with committees considering financial performance more regularly (perhaps quarterly). This would also involve committees considering Estimates earlier in the fiscal year, more in line with international norms, which there was unanimous support for. There was also broad support for the annual scrutiny calendar with more regular committee meetings considering departmental performance. However, the CTCN again highlighted resources issues and its competing pressures while the CFAD stated that with regard to their votes, there was not a need for quarterly meetings. Certain frustrations were also expressed by the CFINPERT who raised objections to the inability of a committee to amend Estimates or to propose alternative options, and also highlighted the limited role for Senators.

The interim report proposed that the Public Service Performance Report could be an important component of this scrutiny calendar, with sectoral committees considering the chapters that are relevant to their areas of oversight. In general, there was an appetite

for this approach being adopted, with the exception of the CTCN who, while acknowledging the merit in such an approach, believed that due to capacity constraints, the PSPR should remain the sole responsibility of the Committee on Budgetary Oversight. The CMTACSG highlighted the need to ensure that there is no duplication between how the Committee on Budgetary Oversight and sectoral committees consider the PSPR, while the CEFHERIS stated that a standardised approach across committees would be required.

Pre-budget scrutiny

From the responses received, it is clear that committees are not currently undertaking any scrutiny in advance of the budget. However, committees did express a willingness to engage in this, with many highlighting that it would be beneficial as the in-depth knowledge of sectoral committees means they are uniquely placed to make recommendations. However, despite the benefits, resource implications were highlighted as posing a potential blockage, while the CFAD proposed that a “realistic annual process calendar” would be useful in demonstrating how it would work in practice.

Supplementary Estimates

There is a general agreement that the Committee on Budgetary Oversight should have a role in scrutinising substantive supplementary estimates. However, there is a clear consensus that if this is to happen, sectoral committees should also conduct their own scrutiny. There is a recognition that the Committee on Budgetary Oversight taking a role will allow it to maintain oversight and identify emerging patterns. The CTCN suggested that sectoral committees could have a “right of refusal” whereby they could choose to not consider supplementary estimates, and that these would then be sent to the Committee on Budgetary Oversight. However, the CFAD objected to the Committee on Budgetary Oversight having a role in the consideration of supplementary estimates but highlighted that “If the correct systems of scrutiny are devised a supplementary estimate should not be a surprise and should be indicated well in advance”.

Finance Bill

The CFINPERT were clear in their communication that they believe that consideration of the Finance Bill should remain solely within the remit of the CFINPERT, but did acknowledge that there may be avenues of committee co-operation that could be explored:

“The annual Finance Bill is very much the remit of the finance committee and while there may be scope for another committee to communicate an observation or opinion by way of correspondence, the mandate and responsibility must remain with the finance committee.”

Consultation with Ministers and Departments

In addition to consulting with other Committees, this Committee also engaged in a consultation process with government Ministers, as required by Standing Order 2019(3). The Committee wishes to state its disappointment with the level of engagement, especially considering the important role that the Executive have in facilitating effective parliamentary scrutiny of budgetary and financial matters.

The Committee wrote to the Taoiseach and each Government Minister (with the exception of the Minister for Finance and the Minister for Public Expenditure and Reform) and disappointingly received replies from only six, the Taoiseach, the Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media, the Minister for Social Protection, Community and Rural Development, the Minister for Foreign Affairs, the Minister for Justice, and the Minister for Further and Higher Education, Research, Innovation and Science.

Support and Briefing

In general, Departments responded positively to the prospect of providing more detailed briefing, incorporating the principles of performance budgeting, to relevant Oireachtas Committees and they endorsed proposed recommendations that would facilitate strong and constructive engagement with respective sectoral Select Committees.

The **Department of Foreign Affairs** stated that it is also working to develop and improve its performance measurement with the aim of increasing the focus on what is being delivered with public resources and to build this information into the policy-making and accountability processes and to ensure that policy development and resource allocation decisions are better informed.

The **Department of Social Protection** is open to investigating alternative approaches to the provision of financial and performance data, in consultation with the Committee, taking account of the capacity of the Department to measure and report on any alternative metrics being considered. At present Social Protection provides Estimates briefing, including performance and equality budgeting, which also incorporates feedback and suggestions from the sectoral Committee.

The **Department of Justice** are willing to engage with relevant committee to provide more information on the performance indicators published in the REV to support the work of the committee as required.

The **Department of Further and Higher Education, Research, Innovation and Science** noted its preference for improved quality and a greater scope of information to be provided to the Oireachtas. It further stated that this should happen in a consistent way across all Government Departments, led by DPER to ensure consistency with overall Government budgetary reporting.

Year-round performance scrutiny calendar

Departments were asked to provide an opinion on moving towards a year-round performance scrutiny calendar which would involve Committees considering financial and performance data more regularly, potentially quarterly. From the responses received, it is clear that Departments have some reservations with any potential moves towards more frequent reporting of information due to resource implications amongst other concerns.

The **Department of Foreign Affairs** is willing to work with the Committee to provide more frequent information but states that it naturally falls to measure financial and performance data for a fixed period (currently annual) to allow the analysis of trends and year-on-year comparisons. They express concerns that there is a limitation to the length of the measurement period that can offer meaningful and valuable information.

The **Department of Justice** engage bi-annually with the sectoral committee in relation to budgetary matters and given the other demands, they consider that this level of engagement be more practical than quarterly, but the Department is willing to provide any additional support and briefing required by committees.

The **Department of Social Protection** state that in order to consider moving to a year-round financial scrutiny they would have to first examine the extent to which the current monthly and other reporting structures, which have been reformed in recent years, already adhere to that principle to ensure ongoing transparency and avoid unnecessary duplication. They believe that the existing resources of the Public Service Performance Report, Mid-year Expenditure Report and the Spending Review process, could be harnessed to address the concerns raised by the Committee relating to year-round scrutiny. Having said that, the Department will seek to provide the Committee with any additional support and briefing it requires.

The **Department of Further and Higher Education, Research, Innovation and Science** noted that from a Departmental capacity point of view it is important that there is strong alignment with the reporting requirements from DPER and avoiding multiple different reporting requirements on Departments during the year.

Estimates

The Committee's proposal for consideration of departmental Estimates at an earlier point in the year could present challenges for the **Department of Social Protection** as it would entail significant changes to timelines for that Department. They further stressed that the proposal suggested in the Interim report to seek to have Estimates considered by Committees before the end of January would “present significant challenge for the Department, as well as, for other Departments and the Oireachtas Select Committees to deliver on this demanding timescale.”

The proposal for an earlier consideration of the Estimates by Committees would not cause any obvious negative implications for the **Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media** and they would be happy to adopt this approach, subject to sufficient lead in time to allow for the preparation of relevant briefing material etc.

The **Department of Foreign Affairs** also noted the ongoing work to move all Departments to a central Financial Management Shared Services system under the National Shared Services Office which they state will have a significant impact on how Departments manage their financial systems, including potentially on how the Estimates process is managed and how financial information is extracted and reported upon.

The **Department of Justice** acknowledges that the budgetary and accounting cycle is tight at present with the Revised Estimates published in late December but has committed to working with Committees to have the Revised Estimates considered as early as possible in the new financial year.

While noting that the timing of the Estimates is fundamentally a matter for DPER, the **Department of Further and Higher Education, Research, Innovation and Science** states that from its perspective the main challenge relates to their difference between the annual budgetary cycle and most of the drivers of expenditure which manifest on an academic year basis. As a result, an earlier budgetary process would not allow for taking into account the most up-to-date information on the implementation of previous measures.

Pre-budget scrutiny

A number of Departments, notably the **Departments of Foreign Affairs, Justice and Social Protection, and Further and Higher Education, Research, Innovation and Science** referred to the fact that they are guided by DPER on the timings and procedures of the budgetary and estimates process. The **Department of Justice** highlighted the relative scale of the Justice Vote group and expressed uncertainty that the current tight timeframe of estimates being finalised close to Budget Day allows for significant engagement with Committee Members in advance of the budget.

The **Department of Social Protection** stressed that it would be important to explore further how the Budgetary Oversight Committee's proposed development of costed policy proposals directly with individual departments would be reconciled with the existing Budgetary process whereby the Budget formation process is the responsibility of individual Ministers who are members of the Government and is guided by the Programme for Government agreed by that Government. The **Department of Further and Higher Education, Research, Innovation and Science** also noted the need for the development of costed proposals to strongly align with the existing structures for political party costings.

While the **Department of Justice** expressed a willingness to facilitate the process as much as possible, they suggest that it would need to be done immediately following the publication of the budgetary parameters and before the Summer recess rather than the Autumn.

In similar vein, **Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media** stated that sufficient preparatory time would be essential to make any appearances before Committee in relation to pre-Budget scrutiny meaningful and effective. They cited the very challenging timeframes within which the Budget and all Estimates processes are carried out which could make any constructive pre-Budget process logistically challenging. They suggested that the Budgetary Oversight Committee might consider alternative ways to address this particular aspect of budget scrutiny and offered assistance to engage in any such considerations.

Minister for Further and Higher Education, Research, Innovation and Science, Simon Harris T.D. stated he would very much welcome the opportunity to engage with Oireachtas Committees and hear views on budgetary priorities prior to the Budget.

Vision and recommendations

Considering the above, the Committee believes that a strong vision is required to set out the guiding principles for a new parliamentary budgetary framework. The Committee has arrived at the following vision for this process:

That budgetary engagement by the Houses of the Oireachtas should be reshaped in a manner that puts parliamentary committees at the heart of the scrutiny, co-ordinated and driven by the Select Committee on Budgetary Oversight. To deliver this, the Executive and the Houses of the Oireachtas should work together to make Ireland an international exemplar of best practice with regard to how Parliaments can undertake effective budgetary scrutiny.

Underpinning this should be an integrated committee-wide approach to budget and performance scrutiny, with clearly defined roles, and follow-up by committees on the recommendations of the Committee of Public Accounts and the Committee on Budgetary Oversight.

In his opening statements, the Minister for Finance draws the attention of the Committee to developments in the national fiscal framework in recent years. While these have in no doubt been considerable, the Committee wishes to highlight the distinction between the national framework and the parliamentary framework. In considering this, there must be a recognition that the needs of parliamentarians differ from those of academics, researchers and think-tanks.

Financial and performance oversight by Oireachtas committees

The Committee recognises the important oversight role that sectoral committees have with regard to expenditure by government departments within their remit. In addition, committee scrutiny of the Estimates for Public Services is a key milestone in the parliamentary budget cycle.

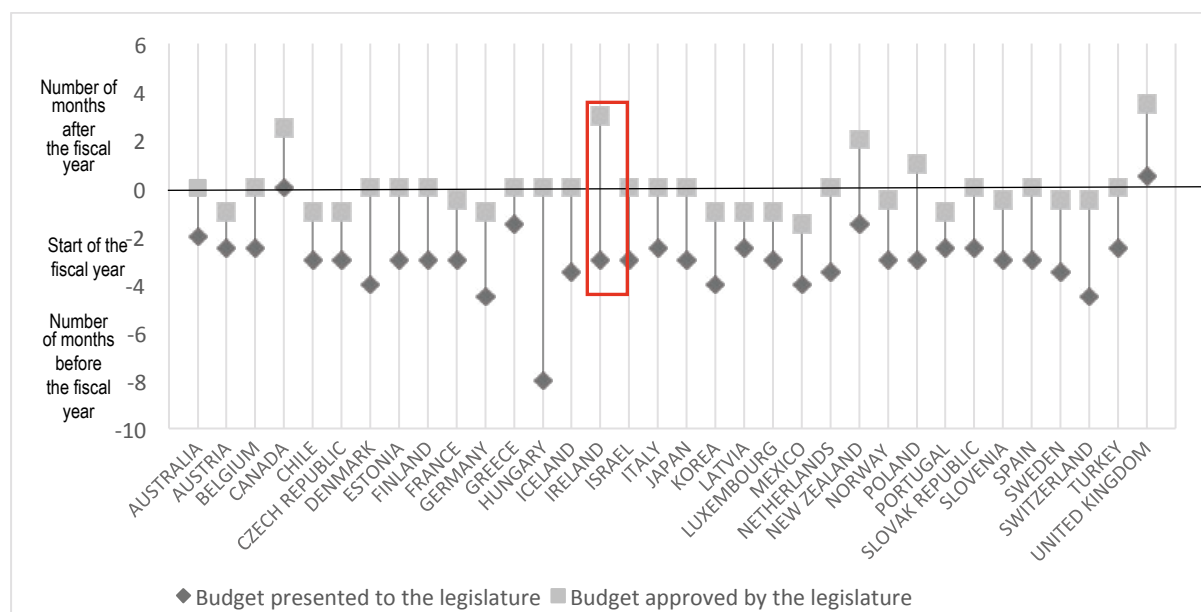
Timing of the Estimates

As highlighted by the OECD, the Committee acknowledges that Ireland is an outlier in that the Estimates are considered after the commencement of the financial year. This is further supported by previous OECD research which is set out graphically in figure 1 and shows that typically, the budget will not be approved until four months into the year.

The Committee also notes that legislatively, an Estimate does not have to be approved by the Dáil until 80% of the previous year's budget allocation has been spent. The Committee is encouraged that during the period of consultation, a number of Oireachtas

Committees committed to considering the Revised Estimates within four weeks of their publication from 2022 onwards. The Committee believes that all committees should consider the Revised Estimates before the end of January, and that such a move would be important in signalling the importance that committees place on financial scrutiny. During the consultation with committees, there was unanimous support for this.

Figure 1: Timeline of budget presentation and approval



Source: Budgeting and Public Expenditures in OECD Countries (2019)

Action: The Revised Estimates should be published by the 1st December and referred to the relevant Committees before the year-end. Committees should consider the estimates no later than the 31st January in the budget year.

Power of amendment

The Committee notes from the evidence of the OECD that, unlike in many other jurisdictions, the Oireachtas does not have power to amend Estimates. However, the Committee also heard evidence that where the ability for parliamentarians to amend budget allocations does exist, they are not widely used in practice (OECD) and are often fallow powers due to strong Government majorities. (Canada)³.

³ Evidence of Canadian House of Commons

While the Committee supports the principle that parliamentarians having some amendment powers would be an important signal “to the executive that it needs to take legislative scrutiny seriously”⁴, the constitutional role of the Executive as having primacy in these matters is recognised. Therefore, the Committee does not propose any recommendation that will change this. Nonetheless, the Committee does believe that committees should lay a report to the Dáil highlighting any concerns or observations in has with regard to the Estimates it has oversight of.

Action: Sectoral Committee should be required to report any observations, comments or objections they may have in relation to the proposed Estimate to the Dáil not later than 14 days after considering the Estimate.

Public Service Performance Report

Since first published in 2017, the PSPR has been an important development in Ireland’s performance budgeting framework. While acknowledging that there is potential for improvement with regard to the data in the report, and its presentation, the Committee notes that the DPER has worked with the Parliamentary Budget Office on making the publication more suitable to the needs of parliamentarians.

The Committee also notes that, aside from engagement by the Committee on Budgetary Oversight, there has been little scrutiny by sectoral committees of the chapters in the PSPR for which they have oversight. During the consultation undertaken during this process, sectoral committees generally expressed a wish to receive better performance data and for it be the foundation of parliamentary scrutiny. There was also a recognition within responses that the volume of information contained in the PSPR is too great for the Committee on Budgetary Oversight to scrutinise effectively on its own and that sectoral committees should have a role in examining the chapters relevant to themselves. To this end, the Committee believes that sectoral Committees should meet to consider outturn from the previous year as set out in the PSPR. However, the Committee is also mindful of evidence received from the CMTACSG which stressed the need to ensure that there is no duplication between the work of the Committee on Budgetary Oversight and sectoral committees in this area.

⁴ <https://read.oecd.org/10.1787/9789264307957-en?format=pdf>

Action: Sectoral committees should meet to consider the chapters of the PSPR that relate to its area of oversight in May, with the Committee on Budgetary Oversight responsible for scrutinising the report as a whole, including the types of data included, the layout, potential improvements etc.

Fixed annual scrutiny calendar

The Committee notes that there currently is not a structured annual calendar for Committee engagement with departments on financial and budgetary matters. Estimates aside, engagements on these matters are *ad hoc*. The Committee believes that outcomes arising from public expenditure would benefit from a more structured calendar of parliamentary oversight, moving towards a ‘year-round’ series of quarterly meetings, each with a clear focus. The Committee welcomes the expression of support of this ambition by the Minister for Public Expenditure and Reform when meeting the Committee.

Consultation with sectoral committees was almost unanimously receptive to a more ‘year-round’ calendar. However, one committee did highlight that the nature and volume of the expenditure within the Vote that it has responsibility for did not warrant multiple meetings during the year.

Further, the Committee recognises that in some cases, committees may not again consider expenditure developments within the Vote(s) they oversee until they meet on the Estimates for the following year. The Committee believes that where this is the case, Parliament will not have satisfactory knowledge of unexpected expenditure developments, and also that having more oversight in-year may give rise to a reduced likelihood of a supplementary estimate being required.

Table 1: Indicative outline of ‘year-round’ committee scrutiny calendar

Quarter	Month	Focus of engagement
1	January	Estimates
2	May	Public Service Performance Report
3	September	Mid-year expenditure position
4	November/December	Supplementary Estimates

Action: Oireachtas committees should move to a ‘year-round’, structured calendar of meetings focusing on financial developments and performance scrutiny as set out in table 1.

The Committee also notes that when evaluating budget measures and the Estimates for Public Services, the focus is often placed upon marginal changes to expenditure. The Committee believes that Committees should be conscious of taking a holistic approach to evaluating spending under their remit and focus on the totality of the resources that will be allocated.

Pre-Budget Scrutiny

Since its establishment during the 32nd Dáil, pre-Budget scrutiny has been the focal point of the Committee on Budgetary Oversight’s work programme. Up until this point, the pre-budget work has consisted of this Committee announcing an open call for written submissions and meeting a number of stakeholders in person to hear evidence. This informed the Committee’s pre-budget report which covered a broad array of budgetary matters.

Evidence base

Currently the evidence base for the Committee’s pre-budget recommendations has been the evidence that the Committee has received through oral and written evidence. The Committee believes that more weight could be attributed to the policy challenges highlighted in publications such as the National Reform Programme, the Irish Fiscal Advisory Council’s Fiscal Assessment Report and the European Commission’s Country Specific Recommendations and the Alert Mechanism Report. Once the key policy challenges have been identified, consultations with regard to potential policy responses may be more beneficial.

In his evidence, the Ministers for Finance and for Public Expenditure and Reform highlighted the introduction of publications such as the Mid-Year Expenditure Report and the Summer Economic Statement, the Tax Strategy Group papers and the Spending Review series in supporting pre-budget scrutiny and informing budgetary decisions. While the committee acknowledges their importance, it wishes to highlight that these documents are published too late in the cycle for them to be of effective value in the Committee’s scrutiny. This supports the earlier assertion in this report about the difference between the national fiscal framework and the parliamentary budget framework.

Action: From 2021 onwards, the Committee will place a renewed focus on using expert publications and analysis as the starting point for pre-budget scrutiny. This will be used to establish the Committee's view of key budgetary priorities.

Action: Upon the establishment of the key priorities, the Committee will engage with the relevant sectoral Committees with the view to receiving costed budgetary measures to address the priorities. In developing these measures, sectoral committees should engage with the relevant department and any stakeholders that it sees appropriate.

Committee-wide scrutiny

Currently, pre-budget input is limited to the Committee on Budgetary Oversight. While the Committee has built, and will continue to build, an in-depth knowledge of the macro-economic position and key fiscal risks and developments, certain policy challenges may be best served by obtaining input from specific sectoral committees, and utilising the in-depth knowledge of their members.

Feedback from other Oireachtas committees with regard to sectoral committees taking an increased role in pre-budget scrutiny was broadly favourable. It was felt that a sectoral committee's knowledge of its own policy areas would be beneficial in making budgetary recommendations, but it was also acknowledged that the capacity of committees to undertake this work may be an issue. Furthermore, questions were raised with regard to the practicalities of aligning the work of numerous committees.

Considering the above, and despite the potential hazards flagged by certain committees, this Committee believes that pre-budget scrutiny would be enhanced were sectoral committees, where specific budgetary policy challenges have been identified, to propose costed policy proposals to the Committee on Budgetary Oversight. The Committee on Budgetary Oversight could then consider the range of policy options in the context of the issues they address and also the available fiscal resources.

It should be noted that this exercise should not necessarily preclude sectoral committees from making their own pre-budget submissions directly to the relevant line departments.

Table 2: Indicative Pre-Budget scrutiny timetable

	Committee on Budgetary Oversight	Sectoral Committees
April	onsiders evidence and establishes the key priority areas for upcoming budget	Begins consideration of potential measures
	Key priority areas communicated to relevant sectoral committee	
May	Publication of CSRs may result in additional priority areas being referred to sectoral committee(s)	Meets with experts and stakeholders to gather views
	Committee is considering the macro-economic overview, including debt position, growth projections and suitable budgetary position	Begins engagement with line-Department with a view towards costing policy proposals
	Meets with experts and stakeholders	
June	Committee meets IFAC on Fiscal Assessment Report	Forwards recommendations to Committee on Budgetary Oversight before end of the month
	Committee meets Minister on Summer Economic Statement	
	Committee engages with Dept. Finance/Revenue with regard to potential revenue changing policies	
July	Recess	
August	Recess	
September	Considers recommendations of sectoral committees in the context of budgetary resources	
	Makes a decision with regard to potential options for raising additional revenue	
	Lays pre-Budget report before the Dáil	

Action: This Committee will work with the Committees Secretariat, the PBO and DPER in order to devise a timeline that will allow for sectoral committees to align their work with the Committee on Budgetary Oversight so as to provide for a more integrated approach to pre-budget scrutiny by Oireachtas committees.

Supplementary Estimates

The Committee has considered how supplementary estimates are scrutinised by the Dáil. Currently, supplementary estimates are referred by the Dáil to the relevant select sectoral committee which has oversight of the Vote(s) in question. During the consultation process with sectoral committees, responses were sought on the potential for substantive supplementary estimates (where additional expenditure is required) to be:

- considered by both the relevant sectoral special committee and the Committee on Budgetary Oversight; or
- considered solely by the Committee on Budgetary Oversight.

There was no clear consensus amongst respondent committees as to what is the most effective manner of conducting committee scrutiny of supplementary estimates. However, with the exception of one committee, there was a clear opinion that the Committee on Budgetary Oversight should play a role. The Committee on Budgetary Oversight believes that given the fact that a substantive supplementary estimate will have an impact on the budgetary resources available across the board for the following year, there should be a role for the Committee.

However, it is also acknowledged that sectoral committees have amassed a significant knowledge of policy issues and the intricacies of a given Department that should not be lost from the scrutiny process. Therefore, this Committee believes that there is merit in substantive estimates being referred to both the relevant select sectoral committee and also the Committee on Budgetary Oversight. In addition to the enhanced oversight that this would bring, there is also the potential that the prospect of appearing before the Committee on Budgetary Oversight may act as an incentive to avoid a situation emerging whereby an increased in-year expenditure allocation is required.

However, the above observations are made with one caveat. Where in a given year a situation emerges whereby the number of substantive supplementary estimates is considered too large for each of them to be considered by the Committee on Budgetary Oversight, a threshold will be decided upon by the Committee above which supplementary estimates will be referred to both committees. Additional resource requirements below the threshold will be referred only to the relevant sectoral committee.

Further, this threshold should be calculated as a percentage of the overall expenditure within the Vote in order to avoid a scenario where smaller spending votes with large supplementary estimates relative to their Vote avoid being referred to the Committee on Budgetary Oversight.

Action: Where a substantive supplementary estimate is required, it should be scrutinised by the Committee on Budgetary Oversight. However, depending on the number of substantive supplementary estimates in a given year, only supplementary estimates in excess of a specific threshold will be scrutinised by the Committee.

Scrutiny of the Finance Bill

Throughout this work, the Committee has examined different options with regard to how the Finance Bill should be treated. Central to this has been the absence of a joined-up approach to budget scrutiny, with the Committee on Budgetary Oversight undertaking ex-ante scrutiny, and the FINPERT undertaking scrutiny of the Finance Bill.

From correspondence between the two committees, it is clear that the FINPERT believe that scrutiny of the Bill should stay as the responsibility of that Committee:

“The annual Finance Bill is very much the remit of the finance committee and while there may be scope for another committee to communicate an observation or opinion by way of correspondence, the mandate and responsibility must remain with the finance committee.

There is, however, as outlined in the pre-budget section, scope for constructive engagement between committees around fiscal policy and financial considerations at an earlier point in the calendar and budgetary cycle. There may also be a value, perhaps every few years, in the finance committee conducting a deeper review or consideration of the consolidated Finance Bill, and those elements which tend to roll-over year to year. The results of such a process might also be of interest to the Committee on Budgetary Oversight.”

The Committee respects the view of the FINPERT and does not propose, considering the evidence, that scrutiny of the Finance Bill be moved away from that committee. However, the Committee does agree that there is scope for constructive engagement between committees and, considering this, that the Committee on Budgetary Oversight should lay a report before the Dáil post-budget, that would inform the scrutiny of the Finance Bill by FINPERT. This report should be based on the following:

Analysis of the budget in the context of the Committee on Budgetary Oversight's pre-budget scrutiny; and

Subject specific analysis undertaken by the Committee as part of its wider work programme (for example topics such as tax expenditures).

Action: The Committee on Budgetary Oversight will, shortly after the Budget each year, lay a post-Budget report before the Dáil, and send it to the Committee on Finance, Public Expenditure & Reform and the Taoiseach for use during consideration of the Finance Bill.

Work of the Committee on Budgetary Oversight

Strategic macro-economic issues

The Committee agrees with the evidence of Professor Alan Barrett who highlighted the importance of “breaking short-termism” when undertaking scrutiny of budgetary matters. Considering this, the Committee believes that it should primarily focus on the longer-term sustainability of the public finances. From a parliamentary perspective, the Committee should be responsible for considering important issues such as the cost of demographic change, sustainability of revenue and expenditure, government debt and other future liabilities.

The Stability Programme Update

The Committee heard that Ireland is also an outlier internationally with regard to the level of input Parliament has in the medium-term budgetary plan. The Stability Programme Update (SPU) is the state's medium-term fiscal plan and must be submitted to the European Commission before the end of April each year.

However, while the draft SPU is presented to the Dáil in advance of this, there is no formal approval of the SPU by the Oireachtas, and no prior opportunity to provide input into it. Research by the OECD shows that scrutiny of the medium-term budgetary framework is now a common practice in OECD legislatures, with 24 parliaments reporting that they debate the MTBF, and 13 of these formally approving the MTBF.

During the 32nd Dáil, BOC engagement with the SPU was ex-post, with the Committee meeting the Minister to discuss the plan post-publication. Having considered the evidence received during this process, the Committee will now seek to move to conducting ex-ante scrutiny of the SPU, culminating in a pre-SPU report. This will bring

the Oireachtas more into line with other national parliaments, and will lead to more informed debate with the Minister for Finance on the medium-term fiscal strategy.

Action: The Committee will lay a pre-SPU report before the Dáil, commencing in 2021.

Public capital investment oversight

In providing evidence to the Committee, Professor Stephen Kinsella and Professor Alan Barrett highlighted that there is an absence of oversight with regard to public capital investment. In particular, ensuring that capital is being accumulated throughout economic cycles was highlighted. The Committee agrees with this observation and recognises the importance of maintaining capital expenditure in order to build the capacity for growth in the economy.

Furthermore, the Committee recognises the importance of ensuring that the frameworks in place to ensure value for money from capital expenditure are sufficient. Considering this, and the potential budgetary implications of cost-overruns, the Committee on Budgetary Oversight will maintain oversight of the Public Spending Code and any other such processes, including the Spending Review series.

Action: The Standing Orders of Dáil Éireann which relate to the Committee on Budgetary Oversight should be amended to provide a strengthened role of the Committee with regard to public capital investment.

Previous work by the Committee has analysed the impact of tax expenditures on the Exchequer and also how these measures are evaluated on an ongoing basis. The Committee found that each year, tax expenditures could cost the Exchequer €10-15 bn per annum. The Report also found that Ireland lacked a formal process for undertaking parliamentary scrutiny of tax expenditures, albeit that it was not alone in this amongst European Union peers.

While recent developments such as the publication of a report on tax expenditures alongside the Budget is welcome, there remains much scope for the rationale and effectiveness of these measures to be examined.

Considering the above, the Committee believes that more robust parliamentary scrutiny of tax expenditures should be undertaken, and that the Oireachtas should have an ambition of being a forerunning parliament in developing this

Action: From 2021 onwards, scrutiny of tax expenditures will be a standing meeting(s) on the annual work programme of the Committee on Budgetary Oversight. In the first year, a particular focus of the Committee will be the implementation of the recommendations contained in its 2019 report.

Provision of relevant information

The Committee believes that it has an important role to play in assessing the quality of budgetary and financial information being provided by Government. In particular, witnesses such as Prof. Barrett, Prof. Kinsella and the Irish Fiscal Advisory Council highlighted the importance of technical data relating to the robust costings of policy initiatives, the cost of public services standing still and the ‘walk’ between the exchequer position and the general government balance in monitoring fiscal developments. This point was summed up by Prof. Barrett who suggested:

“This committee needs to have the capacity to demand and interrogate the data being provided, and also what is not being provided”.

While some data may not be directly used by the Committee on Budgetary Oversight, it is recognised that the Committee has an important role to play in ensuring that third parties such as the ESRI, academics and IFAC have the data at their disposal that is required for them to execute effective oversight. Given the subject matter at hand, it is also important that these organisations have sufficient data to allow them to also scrutinise policy decisions as this work is often useful in informing parliamentary work.

However, from the perspective of parliamentary scrutiny, it is not solely a matter of ensuring that data is published, but also the manner of the dissemination. The Committee believes that it is important that the various audiences are acknowledged, and of particular relevance to this work, that material is provided in a manner that is useful to Members of the Oireachtas. In his evidence, the Minister referenced the volume of publications in the Spending Review series in recent years:

“With over 100 published papers from the spending review process since 2017, this represents a significant evidence base to support policy formulation and development, and a year-round approach to the budget process.”

Further to this it is the opinion of the committee that the general public should have reasonable access to current and relevant financial reporting from the government and that the Department of Finance and the Department of Public Expenditure and Reform

should consider the method and clarity of their reporting of fiscal information to the public.

The Committee believes that it is difficult for Members to digest this level of information, and that more should be done to ensure that the key points in publications such as the Spending Review series and the Tax Strategy Group papers are being communicated to parliamentarians. This is all the more important considering that the recent external review of the Spending Review identifies Members of the Dáil as being the key audience of the papers⁵.

Cross-budget frameworks

In recent years, significant developments have been made with regard to cross budget frameworks such as equality, green and performance budgeting. The work that the Committee undertook during the 32nd Dáil and the potential for positive developments following on from Committee work is recognised by this Committee.

This report recognises the importance of the performance budgeting framework and acknowledges the improvements that have been made to it through initiatives such as the PSPR. Nonetheless, it is clear from the consultation undertaken with sectoral committees that there is a level of dissatisfaction with regard to the quality of performance information being provided. The Committee will endeavour to work with the Department of Public Expenditure and Reform in the first instance to ensure continued improvements in performance budgeting, driven by improved output and outcome data, a deficit repeatedly highlighted by other committees.

In addition to monitoring further developments in, and the implementation of, the above frameworks, the Committee should also take a role in the development of additional frameworks that are being implemented, in particular any initiatives relating to wellbeing budgeting.

The above sets out key priorities of the Committee on Budgetary Oversight. However, it should be read in conjunction with the Committee's current work programme. Further, non-inclusion of a matter in either document does not preclude the Committee from looking at the matter should the committee deem it suitable.

⁵ [94832_3444b51d-4b4e-40a8-99d0-1bc15324b534 \(2\).pdf](#)

Provision of data, information, briefing material and support

To this point, the report has focused on specific engagement points during the budget cycle. However, in order for the vision set out above to be operationalised, and the spirit of the recommendations to be realised, it is crucial that they are underpinned by a partnership between the executive and the parliament. To this end, the provision of timely and informative briefing material and data should be the responsibility of Ministers and/or their departments. The Executive should proactively provide additional material to the Houses of the Oireachtas, in particular to sectoral committees. Further, any requests by committees for clarification or additional information should be met with urgency.

Performance Budgeting

During its hearings, it was clear that frustrations regarding the provision of financial and performance information is not unique to Irish parliamentarians. The Committee heard that even in parliaments with a strong track record in performance budgeting, such as the Canadian House of Commons, frustration regarding the provision of information hinders effectiveness and member engagement. However, the OECD highlighted that significant improvements in the provision of information have been made internationally through recommendations by parliamentary committees that apply political pressure on the executive.

Responses from sectoral committees communicated a clear consensus that committees were dissatisfied with the level of performance data. As set out earlier, terminology such as “not transparent”, “unclear”, “not useful” and not providing “evidence of a department’s performance” was used by various Oireachtas committees in describing the support material provided to them. Further, it was also clear that despite the improvements that have been made with regard to performance budgeting, there is little linkage between resource inputs and outcomes or outputs. This is a deficiency that should be addressed. The Committee notes the evidence of the Minister for Public Expenditure and Reform who stated:

“Taking into account the ongoing work to enhance performance budgeting, this affords the opportunity to leverage the use of existing reports and processes to support the work of the Oireachtas in scrutinising Estimates”.

However, the Committee believes that this does not align with the frustrations of committees who have identified the deficits in the existing reports and processes.

The Committee believes that sectoral committees should engage with their corresponding line departments with a view to discussing how these deficits can be addressed.

Action: The Committee recommends that each sectoral Committee should engage with their corresponding line departments with regard to how the quality of financial and performance information they receive could be enhanced to make their scrutiny more effective. This engagement should occur no later than 31st May 2021 and result in a report with recommendations.

Timing

Evidence received by the Committee also highlighted that certain committees are frustrated by the tardiness with which briefing material is received from departments in advance of Estimates meetings. This has a direct detrimental impact on the effectiveness of the scrutiny a committee can undertake as it leaves little time for the Committee or its secretariat to undertake a detailed analysis and revert to departments with additional points of clarification. The Committee also notes previous analysis undertaken by the PBO which found that, in 2019, in the case of 70% of expenditure required in the supplementary estimates process, there were no full working days to analyse the briefing provided by Departments. The committee believes that this is wholly unsatisfactory. Further, the Committee recognises the importance of this exercise and would welcome were it repeated for future Estimates and Supplementary Estimates⁶.

Action: In advance of any meeting on matters relating to financial or performance scrutiny, briefing material should be supplied to committees by departments at a minimum of 14 days in advance. This will allow secretariats to revert with any additional questions or requests for supplementary information.

Estimates Questionnaire

The Committee notes the introduction of a Standard Estimates Questionnaire in the New Zealand.

In New Zealand, the Finance and Expenditure Committee (FEC) has responsibility for co-ordinating Estimates scrutiny but tends to refer relevant Votes to subject committees. The FEC issues a Standard Estimates Questionnaire for each Vote to each Minister and this asks about critical issues affecting the Vote, and for an elaboration of the mechanisms for evaluation of the impact of outputs on outcomes.

⁶ [Parliamentary Budget Office – Supplementary Estimates for Public Services 2019 – Publication 77 of 2019 \(oireachtas.ie\)](#)

In an Irish context, it is not believed that the Committee on Budgetary Oversight should devise such a questionnaire, but it does believe that a Standard Estimates Questionnaire would be a positive step. The format of questionnaire should be devised by the Parliamentary Budget Office in conjunction with the Committees Secretariat of the Houses of the Oireachtas.

Supplementary questions should be added by individual committees where further information is required. These questionnaires should be sent to government departments in advance of Estimates meetings, and returned at a minimum of 14 days before a meeting takes place.

Action: A standard Estimates Questionnaire template should be designed by the PBO, working with the Committees Secretariat and DPER. This should be augmented with supplementary questions by individual committees.

Online data portal

The Committee notes that a recommendation of the 2016 OECD was to *develop, re-purpose and re-brand the IrelandStat website to realise its potential as a national performance portal*. To this end, the Committee notes the development of the *Where Your Money Goes* website which sets out visual displays of public spending since 2011. However, the Committee believes that there is a distance to be travelled to fully realise the aspiration of the OECD recommendation referenced above. In particular performance data, including both target and outturn/outcome, would be a welcome addition and could enhance both scrutiny by Parliament, and by wider stakeholders.

The Committee also notes the work that has been undertaken by the PBO to present fiscal developments to parliamentarians through the use of infographics and other online presentation tools.

Action: The *Where Your Money Goes* website should be expanded to become a performance budgeting portal. In developing this aspect of the website, the Department of Public Expenditure and Reform should consult with the Parliamentary Budget Office in order to ensure it is designed in a manner that allows parliamentarians obtain insightful data easily.

Capacity Building for Members and staff

While the Committee is firmly of the belief that the provision of good quality briefing from departments, supplemented by the analysis of Oireachtas support staff, should underpin parliamentary scrutiny, it also acknowledges that for some Members, additional capacity building may be required. Considering this, the Committee believes that scrutiny ‘training’ should be provided for Members and their staff, as was suggested by the Committee on Children, Disability, Equality and Integration. In deciding upon the format of this, the needs of Members should be the primary consideration.

Action: The PBO should provide scrutiny capacity building sessions to Members and their staff, focusing primarily on matters relating to financial performance. However, in the case of Members of the Committee on Budgetary Oversight, a more expansive subject-matter is likely to be required.

Ex-Post Scrutiny

Ex-post scrutiny is well established in the Oireachtas through the Committee of Public Accounts (PAC). However, it is felt that there could be better linkages between the PAC and the rest of the committee system. This is reflective of the consultation response from the PAC who highlighted that there is often an absence of follow-on from PAC recommendations. The Committee notes that under Standing Order 218(3) of Dáil Éireann, recommendations made by the PAC must be communicated to the relevant committees. In the response from the PAC, it was proposed that a ‘recommendations tracker’ could be introduced to effectively monitor and follow-up on PAC recommendations. This is an initiative that this committee would be in support of, and further, believes that it should be expanded to include the recommendations of the BOC.

Action: The committee recommends that a recommendations tracker be introduced to monitor and follow up on recommendations made by both the Committee on Budgetary Oversight and the Committee on Public Accounts and will work in collaboration with PAC to progress this point.

Conclusion

This report is the culmination of a significant amount of work undertaken by the Committee on Budgetary Oversight, which included a significant consultation process and also the submission of evidence by numerous stakeholders and experts, and also by representatives of international parliaments. During this process, the importance of effective budget scrutiny by parliamentarians became very clear. Considering this, the Committee believes that the actions set out in this report provide a blueprint from which Ireland can become an international exemplar of best practice with regard to budgetary and financial scrutiny.

Appendix

Appendix A: Meetings and Stakeholders

- 3 November 2020 Private Microsoft Teams
 - *Parliamentary Engagement in the Budgetary Process*
 - Ronnie Downes, Assistant Secretary, Department of Public Expenditure and Reform [Opening Statement](#)
- 8 December 2020 Public [Transcript](#)
 - *Post-Budget Analysis and the availability of relevant information to facilitate pre-budget analysis, and what improvements could be introduced*
 - Sebastian Barnes, Chairperson, Irish Fiscal Advisory Council – IFAC [Opening Statement](#)
 - Doctor Eddie Casey, Chief Economist and Head of Secretariat, Irish Fiscal Advisory Council – IFAC
 - Doctor Martina Lawless, Council Member, Irish Fiscal Advisory Council – IFAC
 - Dawn Holland, Council Member, Irish Fiscal Advisory Council – IFAC
 - Professor Michael McMahon, Council Member, Irish Fiscal Advisory Council – IFAC
- 10 December 2021 Private Microsoft Teams
 - *Parliamentary engagement on Budgetary Cycle*
 - Scherie Nicol, Directorate for Public Governance and Territorial Development, Organisation for Economic Co-operation and Development – OECD
 - Scott Cameron, Public Management and Budgetary Division, Organisation for Economic Co-operation and Development – OECD
- 14 January 2021 Private Microsoft Teams
 - *Discussion on the Committees interim report on the framework for parliamentary engagement throughout the course of the budgetary cycle*
 - Professor Stephen Kinsella, Associate Professor of Economics, University of Limerick [Opening Statement](#)
 - Professor Alan Barrett, Chief Executive Officer, Economic and Social Research Institute – ESRI [Opening Statement](#)

- 19 January 2021 Private Microsoft Teams
 - *Examine and understand the budgetary engagement framework in international parliaments, success, difficulties and experience with budgetary oversight reform and to develop an understanding of best practice and what could be utilised in an Irish context*
 - Alex Smith, Analyst, Economics, Resources and International Affairs Division Library of Parliament Canada [Opening Statement](#)
 - Larry Honeysett, Head of Financial Scrutiny, UK House of Commons [Opening Statement](#)
- 21 January 2021 Private Microsoft Teams
 - *Examine and understand the budgetary engagement framework in international parliaments, success, difficulties and experience with budgetary oversight reform and to develop an understanding of best practice and what could be utilised in an Irish context*
 - Helmut Berger, Head of the Parliamentary Budget Office, Austrian Parliament [Opening Statement](#)
 - Ross Burnside, Senior Researcher in the Financial Scrutiny Team, Scottish Parliament
 - Nicola Hudson, Senior Analyst in the Financial Scrutiny Team, Scottish Parliament
- 9 February 2021 Public [Transcript](#)
 - *Discussion on the Committee's Interim report, the potential for enhanced parliamentary engagement and the capacity of the Executive to support an enhanced framework*
 - Paschal Donohoe TD, Minister for Finance [Opening Statement](#)
 - Michael McGrath TD, Minister for Public Expenditure and Reform [Opening Statement](#)

Appendix B: Consultation with Ministers

As per Standing Order 219(3) the Committee on Budgetary Oversight consulted with “the relevant Minister or Ministers on any recommendation, which in the opinion of the Committee, impact on the role or remit of a Department or Departments”.

As part of this consultation, the following questions were issued to Ministers.

1. What is the capacity of your Department to provide more detailed briefing, incorporating the principles of performance budgeting, to the relevant Oireachtas committee?
2. Would it be possible to provide more information with regard to outputs, outcome, targets and the rationale/demonstrable need of said targets to Oireachtas committees?
3. The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly.
 - Would you and your department the Committee feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure?
 - Would you and your department be happy to oblige the Committee in this regard and provide the required level of support and briefing?
4. The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Were committees to consider the Estimates at an earlier point in the year, would there be any implications for your department?
5. Would you and your department welcome the opportunity to engage with Oireachtas committees in advance of the budget to discuss key budget priorities?
6. The Interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Would you and your department be happy to work with the relevant committee towards developing costed policy proposals that address these challenges?
7. From your perspective, what would be the potential constraints/drawbacks/pitfalls associated with working with the relevant committee during the budget formation process?

B1: Department on Social Protection

Oifig an Aire Coimirce Sóisialaí
Office of the Minister for Social Protection



Neasa Hourigan T.D.,
Chair,
Select Committee on Budgetary Oversight,
Dáil Éireann,
Leinster House,
Dublin 2

8th February 2021

Dear Neasa,

Thank you for your letter of 15th January 2021 in relation to the role of the Committee on Budgetary Oversight and the questions you have raised in relation to the budgetary process. Below, I have addressed each of the issues you have raised in that letter.

Support and Briefing

The Department of Social Protection provides detailed and comprehensive Estimates briefing of the highest standard which facilitates strong and constructive engagement with its sectoral Select Committee. This briefing also incorporates feedback and suggestions and other specific ad hoc requests from the Committee. Chairs of Select Committees to which the Department reports have complimented the Department on the comprehensiveness and quality of the briefing it provides.¹

As part of this process, Performance and Equality Budgeting is included in the briefing provided to the Select Committee. Context and impact indicators are included under various programme headings as well as a chapter on Performance Budgeting which includes key indicators relevant to outputs, outcomes and targets (for example, numbers of payments, claim processing times and certain control and appeals metrics).

¹ Page 4

https://data.oireachtas.ie/ie/oireachtas/debateRecord/select_committee_on_employment_affairs_and_social_protection/2018-12-04/debate/mul@/main.pdf



With the objective of providing a quality customer service, these targets aim to capture quantitative metrics in order to assess trends over time which can be used to evaluate the Department's processes, systems, resource allocation, and to measure performance. These targets are also subject to constant review to ensure their validity.

The Department is open to investigating alternative approaches to the provision of financial and performance data, in consultation with the Committee, taking account of the capacity of the Department to measure and report on any alternative metrics being considered.

Estimates

Consideration of moving to a year-round financial scrutiny would have to first consider the extent to which the current monthly and other reporting structures which have been reformed in recent years already adhere to that principle and how they can be leveraged to ensure ongoing transparency and avoid unnecessary duplication.

In addition to the monthly reporting to the Department of Public Expenditure and Reform for the purposes of the Exchequer Returns, the Department provides briefing on financial performance reports, including explanations of variances against profiled expenditure, to the Parliamentary Budget Office each month. This ensures immediate access for Oireachtas members to that information which facilitates ongoing and informed analysis.

Reforms in recent years include the introduction of the Public Service Performance Report, the Mid-Year Expenditure Report and the Spending Review process. These processes seek to provide information to support scrutiny with, for example, a key focus of the Public Service Performance report being the provision of information in a clear and accessible manner. The Mid-Year Expenditure Report, generally published before the summer recess, provides a basis for discussion of in-year expenditure pressures well in advance of the Budget.



Harnessing these existing resources could be considered to address the concerns raised by the Committee relating to year-round scrutiny. Having said that, the Department will seek, of course, to provide the Committee with any additional support and briefing it requires.

The Committee's proposal for consideration of departmental Estimates at an earlier point in the year could present challenges as it would entail significant changes to timelines for the Department. The 'Interim Report on the framework for parliamentary engagement throughout the course of the Budgetary cycle' (2020) suggests that it could "*seek to have Estimates considered by Committees before the end of January*". If this was to be achieved, analysis and briefing on the Department's Estimate, which contains over 100 subheads, would need to be completed before the end of December and updated in the second week of January once the provisional outturn of expenditure is available. It would present a significant challenge for this Department, as well as, I expect, for other Departments and the Oireachtas Select Committees to deliver on this demanding timescale.

Pre-Budget Scrutiny

Each year, as part of the Budget formation process, my Department consults widely, including through detailed engagement with stakeholders, both bi-laterally and through forums such as the Community and Voluntary Pillar and the Pre-Budget Forum. This Forum offers an opportunity for the representatives attending to present their views on priorities for the forthcoming Budget. The Department receives about 50 pre-Budget submissions from community, voluntary, employee and employer representative organisations, which are carefully scrutinised and considered in the formation of the Budget. This extensive consultation process is designed to identify and elicit views on public policy challenges. In addition, it is usual for the sectoral Select Committee to also engage with such stakeholders on the content of their pre-Budget submissions in advance of the Budget.

Page 10



The Department also provides support to Oireachtas members through the provision of detailed costings in response to requests received through the Political Party Costing process and through Parliamentary Questions.

It would be important to explore further how the Committee's proposed development of costed policy proposals directly with individual departments would be reconciled with the existing Budgetary process whereby the Budget formation process is the responsibility of individual Ministers who are members of the Government and is guided by the Programme for Government agreed by that Government.

I, and my Department, are happy to follow up with you on any further considerations or questions you might have and look forward to working constructively with the Committee over the coming years.

Yours sincerely,

A handwritten signature in black ink, which appears to read 'Heather', is written over a horizontal line.

Heather Humphreys, T.D.
Minister for Social Protection

*The Minister is a Designated Public Official under the Regulation of Lobbying Act, 2015
(details available on www.lobbying.ie)*

B2: Department of the Taoiseach

Oifig an Taoisigh
Office of the Taoiseach



6 February 2021

Ms. Neasa Hourigan, T.D.,
Chair of the Committee,
Select Committee on Budgetary Oversight,
Leinster House,
Dublin 2,
D02 XR20.

Your Ref: CBO-I-0065.0-2021

Dear Neasa,

Thank you for your correspondence dated 15th January 2021 in relation to the Committee's work to consider the overall framework for parliamentary engagement through the budgetary cycle.

While I thank you for the invitation as part of your consultation with Ministers, I have asked the Minister for Public Expenditure to respond to you on the core issues involved. I welcome the wide range of reforms of the budgetary process in recent years and look forward to further efforts to build upon this work to enhance oversight of Departmental performance. My Department has a well-established history of engagement with the Oireachtas and the relevant Committees and will continue to support the Oireachtas in its future work.

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www.gov.ie/taoiseach

I wish you and the Committee well as you continue this work and look forward to reading the final report including its recommendations for further reforms to the parliamentary budget cycle.

Yours sincerely,

A handwritten signature in blue ink, reading "Micheál Martin".

Micheál Martin T.D.,
Taoiseach

B3: Department of Foreign Affairs and Defense

Oifig an Aire Gnóthaí Eachtracha agus Aire Cosanta
Office of the Minister for Foreign Affairs and Minister for Defence



Deputy Neasa Hourigan T.D.,
Chair of the Committee
Select Committee on Budgetary Oversight
Leinster House
Dublin 2

10 February 2021

Dear Deputy Hourigan,

Thank you for your letter of 18 January 2021 requesting the views of the Departments on the potential changes to the framework for parliamentary engagement throughout the course of the budgetary cycle.

The response of the Department of Foreign Affairs is detailed below. I very much welcome the opportunity to provide views on these important issues and I hope that this information will of assistance to you and the Committee in this work.

Yours sincerely

Simon Coveney, T.D.
Minister for Foreign Affairs and
Minister for Defence

Dáil Order Consultation with Committees

Response from the Department of Foreign Affairs

Support and Briefing

1. What is the capacity of your Department to provide more detailed briefing, incorporating the principles of performance budgeting, to the relevant Oireachtas committee?

The Department's Statement of Strategy is the anchor document for how allocations and performance information is presented in the Budget and the Revised Estimates Volume. The Statement of Strategy is directly aligned with the Department's Business Planning and Risk Management process. The Department's five Strategic Programmes in the Estimates for Votes 27 and 28 are framed on the Department's five high-level goals in its Statement of Strategy. The Estimates present information on the Department's activities and outputs intended to meet these goals, as well as the related financial and human resource inputs. The current Statement of Strategy 2021-2023 will shortly be presented to Cabinet, laid before the Houses of the Oireachtas and published.

Over recent years, the Department has worked to develop and embed performance measurement into each of the Department's business plans, of which there are in the region of 120 (for HQ Units and Missions abroad). It is also working to develop and improve what is measured; how it is measured; and what data to collect; with the aim of increasing the focus on what is being delivered with public resources and to build this information into the policy-making and accountability processes, to support the development of a strong culture around performance measurement and results, and to ensure that policy development and resource allocation decisions are better informed.

2. Would it be possible to provide more information with regard to outputs, outcome, targets and the rationale/demonstrable need of said targets to Oireachtas committees?

The Department welcomes and supports the work of the Budget Oversight Committee and could work with the Committee to provide the information it requires, notwithstanding the limitations and evolving process outlined above.

Estimates

3. The Interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly.

- Would you and your department feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure?

- Would you and your department be happy to oblige the Committee in this regard and provide the required level of support and briefing?

In terms of more frequent reporting, again, the Department is willing to work with the Committee to provide the information. However, in general, it naturally falls to measure financial and performance data for a fixed period (currently annual) to allow the analysis of trends and year-on-year comparisons. There is a limitation to the length of the measurement period that can offer meaningful and valuable information.

In addition, an increased level of engagement with committees could have resources implications for the Department which will have to be considered further.

4. The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Were committees to consider the Estimates at an earlier point in the year, would there be any implications for your department?

My Department would have no objection in principle to this proposal. I would note however, that my Department is instructed by the Department of Public Expenditure and Reform on the timings and procedures of the budgetary and Estimates process and these would have to be taken into account if committees were to consider the Estimates at an earlier point in the year.

I would also note the ongoing work to move all Departments to a central Financial Management Shared Services system under the National Shared Services Office. This move will have a significant impact on how Departments manage their financial systems, including potentially on how the Estimates process is managed and how financial information is extracted and reported upon.

Pre-Budget Scrutiny

5. Would you and your department welcome the opportunity to engage with the Oireachtas committees in advance of the budget to discuss key budget priorities?

My Department welcomes all opportunities to engage with the Oireachtas committees and members to discuss the work of the Department and our key budget priorities. Again, I would note that my Department is guided by the Department of Public Expenditure and Reform on the timings and procedures of the budgetary and estimates process.

6. The interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Would you and your department be happy to work with relevant committees towards developing costed policy proposals that address these challenges?

My Department would be happy to engage with and support the work of the sectoral Committees as appropriate.

7. From your perspective, would be the potential constraints/drawback/pitfalls associated with working with the relevant committee during the budget formation process?

In order to ensure meaningful engagement, it is likely that my Department may require additional staff resources and expertise to support increased reporting requests and obligations.

B4: Department of Justice

An Roinn Dlí agus Cirt
Department of Justice

Oifig an Aire | Office of the Minister



Ms. Neasa Hourigan T.D.,
Chair of the Select Committee on Budgetary Oversight,
Leinster House,
Dublin 2.

Re: Dáil Order Consultation with Committees

Reference CBO-I-0059.0-2021

Sent by email: budgetaryscrutiny@oireachtas.ie

Dear Neasa,

I refer to your recent correspondence in relation to Select Committee oversight of the budgetary process. I support the increased oversight of the budgetary process and compliment the work of the Budgetary Oversight Committee in this regard. I appreciate also that it is envisaged more of this work is carried out at Sectoral Committee level and respond as follows to the various questions you have raised in relation to this process.

Support and Briefing

- 1. What is the capacity of your Department to provide more detailed briefing, incorporating the principles of performance budgeting, to the relevant Oireachtas committee?*
- 2. Would it be more possible to provide more information with regard to outputs, outcome, targets and the rationale/demonstrable need of said targets to Oireachtas committees.*

The Justice Vote Group currently consists of six votes and detailed briefing is provided to the Sectoral Committee in advance of the consideration of the Revised Estimates (REV) for the Vote Group. This briefing incorporates aspects of performance budgeting. It is also more often than not the case that a second appearance arises before the Committee in any year due to supplementary estimates and /or transfer of functions or some such other issue. Similarly, detailed briefing is also provided in advance.

My Department is willing to engage with the relevant committee to provide more information on the performance indicators published in the REV to support the work of the Committee, as required.

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Ríomhphost/Email: info@justice.ie | www.justice.ie

1

Estimates

3. *The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly.*

- *Would you and your Department feel that this would be beneficial in terms of ensuring better outcomes /efficiency from public expenditure?*
- *Would you and your Department be happy to oblige the Committee in this regard and provide the required level of support and briefing?*

As outlined above, there is generally a bi-annual engagement with the Sectoral Committee in relation to budgetary matters and given the other demands from the Justice sector on Committee time in relation to legislation etc. it is considered that this level of engagement would be more practical than quarterly.

However, in order to make the existing engagements as meaningful as possible, my Department will provide any additional support and briefing required by the Committees.

4. *The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Were committees to consider the Estimates at an earlier point in the year, would there be any implications for your department?*

The budgetary and accounting cycle is tight at present with the Revised Estimates published in late December, Appropriation Accounts to be submitted by end of March and various other functions to be carried out by finance areas in the first quarter of the year. However, my Department will work with the Committees to have the Revised Estimates considered as early as possible in the new financial year.

Pre- Budget Scrutiny

5. *Would you and your department welcome the opportunity to engage with Oireachtas committees in advance of the budget to discuss budget priorities?*
6. *The Interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Would you*

and your Department be happy to work with the relevant committee towards developing costed policy proposals that address these challenges?

7. *From your perspective, what would be the potential constraints/drawbacks/pitfalls associated with working with the relevant committee during the budget formation process.*

The Estimates process is condensed into a relatively short time scale from when the Governments budgetary parameters are set, normally in June until the estimates are finalised on Budget Day in early October. Given the relative scale of the Justice Vote Group, the Estimates are generally not finalised, until close to Budget Day. I am not sure that the current process and timescale allows for significant engagement with Committee members in advance of the budget. However, I am willing to facilitate the process as much as possible but would suggest that it would need to be done immediately following the publication of the budgetary parameters and before the Summer recess rather than in the Autumn.

Members will be aware that currently, Departments prepare in conjunction with the Department of Public Expenditure and Reform, costings of budgetary proposals for political parties. It should be possible to put in place a separate but similar arrangement for Sectoral Committees and my Department would be prepared to provide such costings in this context.

Yours sincerely,



Helen McEntee T.D.,
Minister of Justice.

B5: Department of Further and Higher Education, Research, Innovation and Science

An Roinn Breisoideachais agus Ardoideachais,
Taighde, Nuálaíochta agus Eolaíochta
Department of Further and Higher Education,
Research, Innovation and Science



Neasa Hourigan TD
Chair of the Select Committee on Budgetary Oversight
Leinster House
Dublin 2
D02 XR20

29 January 2021

Response to Dáil Order Consultation with Committees (Ref CBO-I-0063.0.2021)

Dear Deputy Hourigan,

I welcome the committee's engagement on the important issue of the role of the Oireachtas in the budgetary cycle and, more generally, on strengthening transparency and accountability. I appreciate the opportunity to submit views to the Committee.

Recent years have seen a welcome range of reforms to the budgetary process which have significantly enhanced transparency and accountability, including a number of developments in the Oireachtas, such as the establishment of your committee and the establishment of the Parliamentary Budgetary Office, and a range of Government-led reforms (including Mid-Year Expenditure Reports; the Public Service Performance Report and Spending Review papers) which have substantially opened up the budgetary process and have facilitated the provision of a much greater range and quality of financial and performance information to the Oireachtas and to the public.

My Department engages extensively, with the support of shared financial services provided the Department of Education, with the Department of Public Expenditure and Reform to improve the quality and availability of information included in the Revised Estimates and the Public Service Performance Report.

The Revised Estimates published for 2021 include a number of Equality Budgeting metrics and with a number of relevant context and impact indicators also provided.

We are a new Government Department and we are currently developing our strategic finance capabilities. As we do so, my Department will continue to examine and refine the performance indicators to align most appropriately with the existing Government and Departmental priorities and the overall expenditure allocated to the Vote.

I will now turn to the specific questions posed by the Committee.

Support and Briefing

- 1. What is the capacity of your Department to provide more detailed briefing, incorporating the principles of performance budgeting, to the relevant Oireachtas committee?***
- 2. Would it be possible to provide more information with regard to outputs, outcome, targets and the rationale/demonstrable need of said targets to Oireachtas committees?***

My preference is for improved quality and a greater scope of information to be provided to the Oireachtas, but it is important that this be done in a consistent way across all Government Departments.

This means that rather than individual Departments preparing material for Committees in a variety of different ways, I think it is important that this be led on the Government side by the Department of Public Expenditure and Reform in order to ensure consistency with overall Government budgetary reporting. DPER have placed a huge and welcome focus on increasing transparency in the budgetary process in recent years, and we support those efforts.

Estimates

- 3. The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly. Would you and your department the Committee feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure? Would you and your department be happy to oblige the Committee in this regard and provide the required level of support and briefing?***
- 4. The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Were committees to consider the Estimates at an earlier point in the year, would there be any implications for your department?***

The Department will continue to engage productively with Oireachtas committees as they engage in their important work of scrutinising Government expenditure. The key issue from a Departmental capacity perspective is that there is strong alignment with reporting requirements from the Department of Public Expenditure and Reform to ensure that there are not multiple different reporting requirements placed on Departments during the year.

With respect to the question of timing of the Estimates, this is fundamentally a matter for the Department of Public Expenditure and Reform. From my Department's perspective, the challenge with having an earlier budgetary cycle relates to the fact that,

while we budget on a calendar year basis, most of the drivers of our expenditure manifest on a academic year basis. An earlier budgetary process would mean that it would not be possible for our budgetary planning for the next financial year to take account of the most up-to-date information regarding implementation of previous budgetary measures.

Pre-Budget Scrutiny

5. Would you and your department welcome the opportunity to engage with Oireachtas committees in advance of the budget to discuss key budget priorities?

6. The Interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Would you and your department be happy to work with the relevant committee towards developing costed policy proposals that address these challenges?

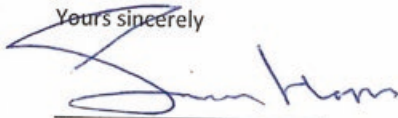
7. From your perspective, what would be the potential constraints/drawbacks/pitfalls associated with working with the relevant committee during the budget formation process?

I would very much welcome the opportunity to engage with Oireachtas committees in advance of the Budget to hear the views of members on budgetary priorities and I think this would be a helpful contribution to the budgetary process.

With respect to the development of costed proposals, it is important that this would strongly align with the existing structures for political party costings operated by the Department of Public Expenditure and Reform in collaboration with all Departments.

I trust that this information is of assistance to your Committee in its work. Please do not hesitate to contact me if I can be of further assistance on this matter.

Yours sincerely



Simon Harris TD
Minister for Further and Higher Education,
Research, Science and Innovation

Oifig an Aire Breisoideachais agus Ardoideachais,
Taighde, Nuálaíochta agus Eolaíochta
Department of Further and Higher Education,
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www.gov.ie

B6: Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media



**An Roinn Turasóireachta, Cultúir,
Ealaíon, Gaeltachta, Spóirt agus Meán**
Department of Tourism, Culture,
Arts, Gaeltacht, Sport and Media

Ms. Neasa Hourigan T.D.
Chair
Select Committee on Budgetary Oversight
Leinster House
Dublin 2
Email: budgetscrutiny@oireachtas.ie

29 January 2021

Dear ~~Chair~~ Neasa,

I refer to your letter of 15 January last regarding the consideration of the overall framework for parliamentary engagement throughout the course of the budgetary cycle by the Select Committee and the required consultation with impacted Departments in relation to same.

Both I and my Departmental officials have considered the Interim Report on this matter published last November and the set of questions provided with your letter and would offer the following observations by way of response.

At the outset, I would like to acknowledge the budgetary reforms introduced on foot of the 2015 OECD report *Review of Parliamentary Engagement in Budgeting: Ireland*, including the establishment of the Committee on Budgetary Oversight (BOC) and the Parliamentary Budget Office (PBO). These reforms increase parliamentary involvement, promote transparency and encourage fiscally responsible legislative decision-making.

My Department has and is happy to continue to provide detailed briefing to all relevant Oireachtas Committees. The briefing provided to Committee members for all recent appearances pertaining to Estimates has contained a specific chapter/section on performance information and output targets, providing specific details as to what targets have been set for the year ahead and providing information in relation to the achievement of targets in previous years.

This follows on from a comprehensive review of all performance information for my Department in conjunction with the Performance Budgeting Unit in the Department of Public Expenditure and Reform as part of the Revised Estimates for 2020, to ensure that the information being provided is informative and meaningful, and reflective of the totality of the work of the Department. In addition, I am happy to report that my Department is an active participant in Equality Budgeting initiatives in respect of both the Arts & Culture and Sports

programme areas, and provides relevant information in respect of same to Committees as appropriate.

It is worth noting that budgetary oversight and scrutiny is not confined by or limited to appearances before and engagement with Oireachtas Committees in relation to Budgetary Estimates. I and my Departmental officials also attend before our sectoral Committees as required on a reasonably regular basis to discuss, inter alia, work programmes, priorities and progress on delivery of key initiatives etc.

In common with many other Government Departments, my Department reports regularly to the Department of Public Expenditure and Reform on its monthly expenditure, including pressures and savings, variances from profiles, comparisons with overall allocations etc. and actively contributes to the Public Service Performance Report which is published annually by that Department. The Department's Strategic Policy Unit and Evaluation Unit also undertakes ex-ante and ex-post spending reviews to ensure that funding in the Department is applied in an efficient and effective manner.


It is the totality of the myriad of oversight arrangements that informs the budgetary process and ensures its openness and transparency.

The proposal for an earlier consideration of the Estimates by Committee would not cause any obvious negative implications for my Department and we would be happy to adopt this approach, subject to sufficient lead in time to allow for the preparation of relevant briefing material etc. The workloads of Oireachtas Committees are significant and it is therefore essential to ensure the most effective use of them and their resources by allowing adequate time for effective preparations.

In similar vein, sufficient preparatory time would be essential to make any appearances before Committee in relation to pre-Budget scrutiny meaningful and effective. The very challenging timeframes within which the Budget and indeed all Estimates processes are carried out could make any constructive pre Budget process logistically challenging and I would suggest that the Committee might consider whether there are alternative ways to address this particular aspect of budget scrutiny. Officials in my Department would be happy to engage with you in any such considerations.

I hope the above points are of assistance to you and your Committee's deliberations and am of course happy to elaborate further on any of the observations made if required.

Yours sincerely,



Catherine Martin T.D.
Minister for Tourism, Culture,
Arts, Gaeltacht, Sport and Media

Appendix C: Consultation with Committees

C1: Joint Committee on European Union Affairs

An Comhchoiste um Ghnóthaí an Aontais Eorpaigh

Teach Laighean
Baile Átha Cliath 2
D02 XR20
Teil: (01) 618 3189
R/phost eucommittee@oireachtas.ie



Joint Committee on European Union Affairs

Leinster House
Dublin 2
D02 XR20
Tel: (01) 618 3189
Email: eucommittee@oireachtas.ie

Ms Neasa Hourigan T.D.,
Chair,
Select Committee on Budgetary Oversight

Issued via email to – budgetscrutiny@oireachtas.ie

Our Ref: JCEUA I-114

27th January 2021

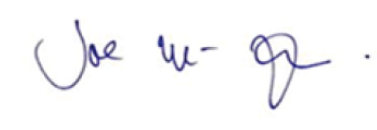
Dear Neasa,

I refer to your letter of 14th January 2021 and subsequent request for Committee views on parliamentary engagement throughout the course of the budgetary cycle. The Joint Committee on EU Affairs has considered the background paper and set of questions. In considering the questions posed, the Joint Committee on EU Affairs does not hold the same financial scrutiny position as other Oireachtas Committees with no provision for the referral of items such as Estimates. However, the Joint Committee does have a role within the European Semester process.

As you are aware, the European Semester process offers National Parliaments an important opportunity to engage with the semester cycle and the previous Joint Committee on European Union Affairs established a framework for engagement with the National Reform Plan and scrutiny of Ireland's Country Specific Recommendations. The Joint Committee considers this work vital to the parliamentary scrutiny of the budgetary cycle as targets set at EU level ultimately translate into national budgets. However, in line with recent changes to the traditional budgetary cycle announced by the European Commission, the Joint Committee is currently undertaking research within the secretariat on how to engage with the new mechanisms. Following conclusion of this research we would be happy to update you on any new processes the Committee will undertake in the scrutiny of the budgetary cycle.

We would like to thank you for engaging with the Committee and look forward to continued engagement on this important matter.

Le gach dea ghúí,

A handwritten signature in blue ink, appearing to read 'Joe McHugh', enclosed within a thin black rectangular border.

Joe McHugh, T.D
Chairman of the Joint Committee on European Union Affairs

C2: Public Accounts Committee

Question	OACAG point of view
<p>1. Do you believe that the Committee receives a satisfactory level of data/information on expenditure and the associated outputs/outcomes from Departments?</p> <p>Is the data /information provided transparent and unambiguous?</p>	<p>No</p> <p>Current system is not 'joined up' and financial and performance data are, in the main, reported separately.</p> <p>Links between spending and associated outputs/outcomes is poor across votes/bodies</p> <p>Definition of measures and targets is poor and confusing</p> <p>For example, see the housing performance chapter examined by PAC before Christmas</p> <p>Commentary on implementation of performance budgeting and other types of budgeting attached at Appendix A.</p> <p>Key issue is that DPER should review the current system of budgeting and financial reporting so that there is a link between planned expenditure and planned outputs/outcomes, and between actual expenditure and actual outputs/outcomes.</p>
<p>2. The Interim Report [of the Select Committee on Budgetary Oversight (January 2021)] suggests that improved performance data should be the basis for future parliamentary scrutiny of expenditure. Does the Committee agree with this?</p> <p>Would the provision of better performance information at a departmental/vote level make the work of the PAC more effective?</p>	<p>Yes</p> <p>A strong performance budgeting/reporting framework would provide a link between financial outturn and the results achieved for that expenditure. However, in order to be effective in assessing whether projects or programmes are being delivered efficiently and effectively the information must be of good quality (accurate and well defined) and verifiable.</p> <p>PAC's work, especially in light of the new VFM mandate under Standing Order 218(2), would be very significantly improved by this.</p>
<p>3. Does the Committee think that the effectiveness of Parliament's engagement with the budgetary cycle would be enhanced were there to be a more integrated approach across Oireachtas committees?</p>	<p>Yes</p> <p>There is no sense of joined up thinking between the two 'ends' of the scrutiny system (estimates approval and review of appropriation accounts)</p>

Question	OCAG point of view
<p>4. Could sectoral committees play a greater role in monitoring how recommendations of the PAC, related to votes that the particular committee has oversight of, are followed up on?</p>	<p>Yes. As required by Standing Order 218(3), PAC recommendations are communicated to the relevant committees.</p> <p>Committees, including PAC, should develop a 'recommendations tracker' to effectively monitor and follow up on recommendations.</p>
<p>5. Do you believe that there is clarity with regard to the remit of the PAC, Committee on Budgetary Oversight and sectoral committees in their undertaking of financial/performance scrutiny?</p>	<p>It is not really clear or intuitive where the respective responsibilities lie. Identifying the respective remits requires a careful reading of the separate Orders of Reference of the various committees</p> <p>It might be useful to have a diagram summarising the respective committees' roles, in terms of the vote/appropriation accounting process.</p>

C3: Joint Committee on Children, Disability, Equality and Integration

**An Coiste um Leanaí,
Míchumas, Comhionannas
agus Lánpháirtíocht**

Teach Laighean
Baile Átha Cliath 2

Tel: (01) 618 3843
Ríomhphost: cdei@oireachtas.ie



**Committee on Children,
Disability, Equality and
Integration**

Leinster House
Dublin 2

Tel: (01) 618 3843
Email: cdei@oireachtas.ie

Our Ref JCCDEI-I-76-21

01st February 2021

Mr Paul Ng
Clerk to the Committee on Budgetary Oversight

Issued by email to: [REDACTED]

RE: Recommendations to the Select Committee on Budgetary Oversight

Dear Mr Ng,

I have been requested by the Cathaoirleach of the Oireachtas Joint Committee on Children, Disability, Equality and Integration, Ms. Kathleen Funchion, T.D., to inform you that the Committee at its meeting of 26th January 2021, agreed a response to the request from the Select Committee on Budgetary Oversight.

The Committee agreed that I should write to inform you of the following:

1. What is the capacity of the Committee to take a stronger role in oversight of financial performance by the departments/votes they oversee?

Concerns have been raised as to the capacity of a Committee member to make an effective and clear impact on the process. This would take training for Members and could impact resources.

2. Do you believe that the Committee receives a satisfactory level of data/information on expenditure and the associated outputs/outcomes from Departments? Is the data / information provided transparent and unambiguous?

3. The Interim Report suggests that improved performance data should be the basis for future parliamentary scrutiny of expenditure. Does the Committee agree with this?

Each Select Committee meets to discuss issues that have a monetary impact and yet the monetary consequences of this are not discussed by the Committee.

4. The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly. Does the Committee feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure?

The view is that a more yearlong scrutiny would be beneficial.

5. Does the Committee believe that individual committees should consider the chapters of the Public Service Performance Report that are relevant to them rather than it being considered in full by the Committee on Budgetary Oversight?
6. The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Does the Committee believe that there would be merit in having Committees consider the Estimates at an earlier point in the year?

If Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. What are the consequences and benefits of this? If it is considered that it would make a positive impact on the process, then it should happen. The overall view is that the Oversight Committee should be taking the lead in considering the substantive estimates, however, it is considered necessary that sectoral oversight and understanding is at a Committee level then this should happen.

If you require any further information, please do not hesitate to contact me at 618 3843 or at cdei@oireachtas.ie.

Yours sincerely,

Anita Gibbons

Anita Gibbons
Clerk to the Committee

C4: Joint Committee on Foreign Affairs and Defence

An Comhchoiste um Ghnóthaí
Eachtracha agus Cosaint
Teach Laighean
Baile Átha Cliath 2
D02 XR20
Tel: (01) 618 3167



Joint Committee on Foreign Affairs and
Defence
Leinster House
Dublin 2
D02 XR20
Tel: (01) 618 3167

jcfad@oireachtas.ie

jcfad@oireachtas.ie

Ms. Neasa Hourigan T.D.
Cathaoirleach
Committee on Budgetary Oversight

29th January, 2021

Dear Deputy Hourigan,

Please see responses to the questionnaire issued by your Committee from the Committee on Foreign Affairs and Defence.

What is the capacity of the Committee to take a stronger role in oversight of financial performance by the departments/votes they oversee?

The Select Committee scrutinises the Departments Estimates each year and any supplementary estimates required. The Committee would welcome the opportunity for performance indicators in respect of outputs and outcomes and for the scrutiny process to be based against these. A generic detailed scrutiny process/cycle could be developed in cooperation with the PBO and your Committee.

Do you believe that the Committee receives a satisfactory level of data/information on expenditure and the associated outputs/outcomes from Departments? Is the data / information provided transparent and unambiguous?

Both Departments are forthcoming with data in advance of any meetings held and provide whatever data as required or as requested. The information is very much based on financial expenditure benchmarked against the previous year(s). However, this would not be seen as providing much evidence of a Departments performance. Further information based on projected outputs and outcomes versus actual in the same year would provide better information.

The Interim Report suggests that improved performance data should be the basis for future parliamentary scrutiny of expenditure. Does the Committee agree with this?

Yes. Performance data is paramount in ensuring the efficiency of the service provided, however this needs to be taken into account of the wider context rather than being the sole basis for measuring performance and value. This would need to be based on individual Departments and indeed on specific expenditure. For example, and in the case of Irish Aid, the value is not solely based on the amount of funding utilised, as this can garner good will from the beneficiary and also sew the basis for other and future investment on a partnership basis. A measurement of performance and the outcomes should encapsulate this information also.

Estimates

Cuirfear fáilte roimh chomhfhreagras i nGaeilge

The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly. Does the Committee feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure?

The Committee do not feel that quarterly scrutiny would be required for Foreign Affairs and Defence. In Foreign Affairs the biggest driver of expenditure is the diplomatic corps and Irish Aid. Likewise, with Defence, the Defence Forces are the biggest part of expenditure. As long as there is an opportunity to build into each area of expenditure an expected outcome which is measurable, then this could be tapped into on an ongoing basis, by audit, and as required by the Committee.

Does the Committee believe that individual committees should consider the chapters of the Public Service Performance Report that are relevant to them rather than it being considered in full by the Committee on Budgetary Oversight?

Very little emphasis has been given to this in the past in respect of Foreign Affairs and Defence. The proper supports both centrally through the PBO and with each individual committee would need to be available. The specialist resources would also need to be provided. However, this would be achievable through the PBO with economic advice and research similar to the role of the OPLA in respect of legal advice

The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Does the Committee believe that there would be merit in having Committees consider the Estimates at an earlier point in the year?

Yes. However, the capacity of committees would need to be addressed to allow this to take place and also a common approach by all committees would be required, led by your Committee and the PBO. It would also need to be the case that expenditure and performance outcomes are measurable and that this could be ongoing rather than intermittent.

Pre-Budget Scrutiny

Currently, does your Committee undertake any specific pre-budget work, consider potential budgetary measures or engage with the Department(s) in advance of the publication of the Budget?

No. However, this is vital for the Committee going forward.

The Interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Does the Committee believe that this would be beneficial? What is the capacity of the Committee to undertake such work?

The Committee is unsure as to how this would work in practice. The timing of the engagement is of utmost importance in this regard, and a realistic annual process calendar would need to be developed in order to ensure this is not mere "lip-service" but rather, allow for active engagement with the Committee. There is very little time for the committee to address in a proper way pre-budget submission by NGOs etc with a view to having a reasoned opinion that could be examined in time.

Supplementary Estimates

Cuirfear fáilte roimh chomhfhreagras i nGaeilge

The Interim Report also suggests that consideration could be given to having the Committee on Budgetary Oversight play a role in the scrutiny of 'substantive' supplementary estimates (i.e. where an increase in expenditure allocation is required). What are the opinions of the Committee on:

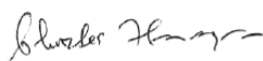
a. Both the Committee on Budgetary Oversight and the respective sectoral committee scrutinising 'substantive' Supplementary Estimates?

Again, a specific template as to how this would work in practice would need to be developed. As a sectoral committee for 2 Departments there is a vast amount of knowledge on the intricacies of how the Department works built up over the course of engagement. If the correct systems of scrutiny are devised a supplementary estimate should not be a surprise and should be indicated well in advance. The Committee feels that responsibility in considering supplementary estimates should remain within the scope of the sectoral committee.

b. The Committee on Budgetary Oversight taking overall responsibility for scrutinising 'substantive' Supplementary Estimates?

On behalf of the Committee I would like to thank the members of the Budgetary Oversight Committee for this opportunity to engage in your consideration of these matters and looks forward to further engagement.

Yours sincerely,



Charles Flanagan T.D.
Chairperson

Cuirfear fáilte roimh chomhfhreagras i nGaeilge

C5: Joint Committee on Education, Further and Higher Education, Research, Innovation and Science

**An Comhchoiste um
Oideachas, Breisoideachas
agus Ardoideachas, Taighde,
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**Joint Committee on Education,
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Our Ref: JCES-I-2021-[182.1]

22nd January 2021

Ms. Neasa Hourigan TD,
Chairperson,
Select Committee on Budgetary Oversight

Email: budgetscrutiny@oireachtas.ie

Dear Chairperson,

I am directed by the Joint Committee on Education, Further and Higher Education, Research, Innovation and Science, to thank you for your correspondence, dated 14th January 2021, in relation to the Dáil Order regarding Consultation with Committees and the questions regarding Budgetary oversight by Sectoral Committees.

Your correspondence was circulated to all Committee Members and discussed in private at a committee meeting on the 21st January 2021.

I am further directed to send you a copy of the Joint Committee's response to the questions regarding Budgetary Oversight.

I trust this is helpful.

Yours sincerely,

Paul Kehoe TD
Chairperson to the Committee

Select Committee on Budgetary Oversight

Dail Order Consultation with Committees

January 2021

Background

In July of last year, the Select Committee on Budgetary Oversight received an order from the Dáil that it was to consider the current framework for parliamentary engagement in the budgetary cycle and make recommendations that would improve the same. The Standing Orders of the Committee instruct that in doing this work it must consult with impacted committees.

Towards answering the above Order, the Committee recently published an interim report based on phase 1 of its work. This report sets out a number of high-level issues that, if addressed, have the potential to enhance the effectiveness of parliamentary engagement in budgetary matters. Potential recommendations are also highlighted in certain cases. The interim report is intended as being the basis for consultations with stakeholders, including parliamentary committees.

In order to obtain the views of committees, it is requested that you answer the following questions and revert back to the Committee on Budgetary Oversight.

Support and Briefing

1. What is the capacity of the Committee to take a stronger role in oversight of financial performance by the departments/votes they oversee?

The Committee has the capacity to take on the stronger role outlined, so long as clear information on expenditure and the associated outcomes can be supplied by the relevant department(s) in a timely manner and the Parliamentary Budget Office (PBO) is able to assist as necessary. It should be noted that the Joint Committee only has a half time Policy Adviser and so resources are limited.

2. Do you believe that the Committee receives a satisfactory level of data/information on expenditure and the associated outputs/outcomes from Departments? Is the data / information provided transparent and unambiguous?

The Select Committee receives detailed briefing on Budgetary Programme and Subhead Expenditure in advance of all meetings to consider Departmental Estimates. The information is transparent and unambiguous. However, it is generally received a day or two before a scheduled meeting which does not give the Secretariat or Committee Members sufficient time to engage in detailed analysis and scrutiny.

3. The Interim Report suggests that improved performance data should be the basis for future parliamentary scrutiny of expenditure. Does the Committee agree with this?

Yes, the Committee believes that improved performance data linked to the outcomes of spending would provide a clearer picture on the value of public expenditure.

Estimates

4. The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly. Does the Committee feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure?

Yes, the Committee believes that more consistent and regular consideration of financial and performance data would allow for earlier and more effective scrutiny. Financial/budgetary scrutiny could be incorporated into quarterly meetings with Ministers who come before the Committee to brief it on important policy issues. It would need to be clearly signalled as a separate agenda item.

5. Does the Committee believe that individual committees should consider the chapters of the Public Service Performance Report that are relevant to them rather than it being considered in full by the Committee on Budgetary Oversight?

The Committee believes that given the breadth of information contained in the PSPR, there could be a potential role for sectoral committees to undertake scrutiny at a departmental level, while the Committee on Budgetary Oversight focuses on wider performance budgeting. However, this proposal would require further consideration by the CBO so that there is a standardised approach adapted by all Committees based on clear CBO guidance.

6. The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Does the Committee believe that there would be merit in having Committees consider the Estimates at an earlier point in the year?

Yes, the Committee believes that earlier consideration of the Estimates would allow for more consistent and timely scrutiny of the Estimates.

Pre-Budget Scrutiny

7. Currently, does your Committee undertake any specific pre-budget work, consider potential budgetary measures or engage with the Department(s) in advance of the publication of the Budget?

The Committee does not currently engage in this work. There are resource implications involved. In addition, Committees are severely time constrained because of Covid 19 restrictions.

8. The Interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Does the Committee believe that this would be beneficial? What is the capacity of the Committee to undertake such work?

Yes, the Committee believes that sectoral Committees' knowledge of their own policy areas would be beneficial in making budgetary recommendations to tackle specific policy challenges.

Supplementary Estimates

9. The Interim Report also suggests that consideration could be given to having the Committee on Budgetary Oversight play a role in the scrutiny of 'substantive' supplementary estimates (i.e. where an increase in expenditure allocation is required). What are the opinions of the Committee on:

- a. Both the Committee on Budgetary Oversight and the respective sectoral committee scrutinising 'substantive' Supplementary Estimates?
- b. The Committee on Budgetary Oversight taking overall responsibility for scrutinising 'substantive' Supplementary Estimates?

The Committee believes that both the Committee on Budgetary Oversight and the respective sectoral committee cooperating in their scrutiny of 'substantive' Supplementary Estimates would allow the Committee on Budgetary Oversight to maintain an oversight and coordination role, while each sectoral Committee can take on scrutiny of their areas of remit.

C6: Joint Committee on Media, Tourism, Arts, Culture, Sport and the Gaeltacht

An Comhchoiste um Meáin,
Turasóireacht, Ealaíona, Cultúr,
Spórt agus Gaeltacht

Teach Laighean
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Joint Committee on Media, Tourism,
Arts, Culture, Sport and the Gaeltacht

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Dublin 2

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Deputy Neasa Hourigan T.D.,
Chair of the Select Committee on Budgetary Oversight

Ref: JCM-I-175

RE: Correspondence JCM-R-147; JCM-R-147a;

Sent by email to: budgetscrutiny@oireachtas.ie

3rd February 2021

Dear Deputy Hourigan,

The Joint Committee on Media, Tourism, Arts, Culture, Sport and the Gaeltacht wish to acknowledge and thank you for your correspondence in relation to the current framework for parliamentary engagement in the budgetary cycle and to make recommendations that this Committee feel might improve same, the matter having been discussed at its meeting today in Private Session.

To this end, the Committee submits the following comments for your consideration:

Support and Briefing

In terms of the Committee's capacity in strengthening its role in overseeing the financial performance of departments and votes, it has been noted that the Committee's role in this area is quite weak. Meetings dedicated to the consideration of Estimates are infrequent and rushed, with limited time to prepare and discuss matters ahead of, and indeed, at the Committee. Members were not afforded adequate time to discuss Further Revised Estimates in 2020. The Committee's limited role in the consideration and discussion of estimates should also be reviewed with the view of increasing the Committee's influence on the financial processes of the Department.

The Committee would be strengthened if it had a role in the pre- and indeed, post-budget performances of the Department. This would greatly contribute to the work of the Committee if it had a role in amending the budget or even in making recommendations. In order to conduct this type of work, the Committee would have to work with the Department to ensure timely access to detailed and clear information relating to the financial performance of the Department.

Second, in relation to the data the Committee receives from the Department – in terms of transparency and it being unambiguous in nature on expenditure, outputs and outcomes – it was found that data provided by the government in the budget documentation was not transparent which was followed through to the Department. This was mainly due to the inclusion of various funding streams (Brexit, Core, Covid etc.) which can prove difficult to follow as monies allocated in the previous year are presented as new monies which was evident in the section of Budget 2021 relating to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media where 2020 Covid spending as new spending for 2021. It would be of benefit to the Committee if

Cuirfear fáilte roimh chomhfhreagras i nGaeilge

there was an opportunity for scrutiny after the budget with the Minister and Department officials present. The Committee could send questions to the Department prior to such meeting, seeking additional information or clarity on budget proposals that are highlighted by Members ahead of time.

With regards to the suggestions of the Interim Report on performance data being the basis for future parliamentary scrutiny of expenditure, it was agreed that it would be useful in helping the Committee to carry out this work, particularly if the Committee intends to begin work on pre-legislative scrutiny.

Estimates:

A year-round performance scrutiny calendar - which would involve Committees considering financial and performance data more regularly, potentially on a quarterly basis - would be useful in ensuring better outcomes and efficiency arising from public expenditure. This would be particularly beneficial if the Department and the Minister made themselves available and provided requested data ahead of time. More frequent meetings relating to performance scrutiny would permit the Committee to scrutinise matters in greater depth than what is currently possible.

In relation to Committees considering the chapters of the Public Service Performance Report instead of being considered in full by the Committee on Budgetary Oversight, the Committee agreed that such an approach would be desirable given its specific remit and work. Both Committees could formulate a way of facilitating this work to ensure that a duplication of work is not being conducted by both Committees.

Considering that Ireland is an outlier in an international context that Estimates are not approved until well into the budgetary year, as outlined in the Report, the Committee expressed that it would be preferable for estimates to be considered earlier in the year.

Pre-Budget Scrutiny:

It was noted that the Committee has no clearly defined role in pre-budget work; the consideration of potential budgetary measures; or engage with the Department(s) in advance of the publication of the Budget.

The Committee agreed that it would be beneficial if a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. It was noted that it would be worthwhile to engage with the Department and other stakeholders ahead of the budget and make proposals as a Committee to the Department ahead of the budget. Given that the Committee regularly meets with a wide variety of stakeholders across the remit of the Department, it is uniquely placed to make such recommendations.

Supplementary Estimates:

Finally, as per the Interim Report's suggestions to give the Committee on Budgetary Oversight a role in the scrutiny of 'substantive' supplementary estimates. The Committee expressed that it is open to their involvement in scrutinising same, but it would be preferable for both Committees to carry out this work.

If you require any further information regarding this matter, please contact Ms Pauline O' Neill or Clerk to the Committee, Ms Laura Pathe by telephone at 01 618 4125 or by email at jcmedia@oireachtas.ie.

Yours sincerely,



Niamh Smyth

Chairperson of the Joint Committee on Media, Tourism, Arts, Culture, Sport and the Gaeltacht

Cuirfear fáilte roimh chomhfhreagras i nGaeilge

C7: Joint Committee on Transport and Communications Network

An Comhchoiste um
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Neasa Hourigan TD,
Chair,
Select Committee on Budgetary Oversight

4 February 2021
Ref: JCTCN-i-149

Issued by e-mail

Dear Deputy Hourigan,

RE: Dáil Order Consultation with Committees

I am writing to you regarding your request for feedback on your Committee's Interim Report on the framework for parliamentary engagement throughout the course of the budgetary cycle.

The Committee believes that budgetary scrutiny is a very important aspect of its work and appreciates the opportunity to share its views as part of this consultation.

The Committee considered and agreed the questionnaire provided at its meeting of 26 January. Please see the Committee's submission attached.

Yours sincerely,

Kieran O'Donnell, TD
Chair of the Committee

Cuirfear fáilte roimh chomhfhreagras i nGaeilge

Joint Committee on Transport and Communications Networks

Submission to the Select Committee on Budgetary Oversight Dáil Order Consultation with Committees, January 2021

Support and Briefing

1. What is the capacity of the Committee to take a stronger role in oversight of financial performance by the departments/votes they oversee?

The current Covid-19 pandemic restrictions mean that the capacity of the Committee to take on additional work is quite low, and financial scrutiny is one of a number of competing priorities.

2. Do you believe that the Committee receives a satisfactory level of data/information on expenditure and the associated outputs/outcomes from Departments? Is the data / information provided transparent and unambiguous?

No, the Committee does not receive a satisfactory level of information on expenditure or associated outcomes. The Committee feels that information provided on estimates and associated metrics is often unclear.

3. The Interim Report suggests that improved performance data should be the basis for future parliamentary scrutiny of expenditure. Does the Committee agree with this?

Yes, the Committee agrees that improved performance data would appear to be a more efficient and transparent basis for scrutiny. However, until such a method is operated it is difficult to know for certain.

Estimates

4. The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly. Does the Committee feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure?

The Committee agrees that moving to a year-round performance scrutiny calendar possibly could lead to better outcomes, but reverts to question 1 on the issue of capacity, highlighting that financial scrutiny is one of a number of competing priorities.

5. Does the Committee believe that individual committees should consider the chapters of the Public Service Performance Report that are relevant to them rather than it being considered in full by

the Committee on Budgetary Oversight?

The Committee agrees that this would appear to be a good idea. However due to the Committee's competing priorities, it may be more beneficial if the Budgetary Oversight Committee to retain responsibility for the scrutiny of the PSPR.

6. The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Does the Committee believe that there would be merit in having Committees consider the Estimates at an earlier point in the year?

The Committee agrees that there could be merit to this.

Pre-Budget Scrutiny

7. Currently, does your Committee undertake any specific pre-budget work, consider potential budgetary measures or engage with the Department(s) in advance of the publication of the Budget?

The Committee has not undertaken any pre-budgetary work to date.

8. The Interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Does the Committee believe that this would be beneficial? What is the capacity of the Committee to undertake such work?

The Committee believes that taking a more integrated approach to pre-budget scrutiny could be beneficial, but reverts to the answer given to question 1 regarding capacity. In addition to time constraints, the Committee is concerned that there may also be staffing constraints, due to the additional detailed preparatory work that would likely be required.

Supplementary Estimates

9. The Interim Report also suggests that consideration could be given to having the Committee on Budgetary Oversight play a role in the scrutiny of 'substantive' supplementary estimates (i.e. where an increase in expenditure allocation is required). What are the opinions of the Committee on:

- a. Both the Committee on Budgetary Oversight and the respective sectoral committee scrutinising 'substantive' Supplementary Estimates?

The Committee is of the opinion that sectoral committee should be offered the right of refusal for estimates under its remit. This could possibly apply to all estimates, not just

supplementary estimates. If the Committee does not have the capacity to scrutinise estimates, it could then refer them to the Budgetary Oversight Committee.

b. The Committee on Budgetary Oversight taking overall responsibility for scrutinising 'substantive' Supplementary Estimates?

See answer above.

C8: Joint Committee on Social Protection, Community and Rural Development, and the Islands

Consultation on the Framework for Parliamentary Oversight of Budgetary Cycle

On the 14 Jan 2021 the Joint Committee on Social Protection, Community and Rural Development, and the Islands received correspondence from the Clerk of the Committee on Budgetary Oversight, containing a questionnaire referring to possible changes to the current framework for parliamentary oversight of budgetary cycle.

The Committee discussed this item of correspondence at its meeting on 20 Jan 2021. The questionnaire was discussed in detail, Members putting forward their views in relation to this topic.

The following are the main points expressed:

1. What is the capacity of the Committee to take a stronger role in oversight of financial performance by the departments/votes they oversee?
 - The Joint Committee is enthusiastic about taking a stronger role in the oversight of financial performance of the Departments/ Votes under their remit. In terms of capacity,
 - The Committee acknowledges limitations in capacity, in terms of resources available to both the Committee itself and to the Parliamentary Budget Office, which is restrictive by way of policy and financial/budgetary research & advice available to the Committee.
 - The Joint Committee acknowledge and welcomed previous briefings and research received from the Parliamentary Budget Office, which was beneficial to the Committee, and would welcome an increase in such services in the future.
 -
2. Do you believe that the Committee receives a satisfactory level of data/information on expenditure and the associated outputs/outcomes from Departments? Is the data / information provided transparent and unambiguous?
 - The Joint Committee is of the view that a lot of information is received and available, but not necessarily useful. No options or outcomes are given.
 - The Committee would like to explore how they might have an input on goal-setting, and could liaise with the Departments to have a role in setting the 12 months outcomes/deliverables, instead of them being set by department officials, as is currently the case.
3. The Interim Report suggests that improved performance data should be the basis for future parliamentary scrutiny of expenditure. Does the Committee agree with this?
 - There was no comment on this point.
4. The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance

data more regularly, potentially quarterly. Does the Committee feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure?

- The Joint Committee are of the view that the performance scrutiny starts too late in the financial year, when not much can be done to reverse the policy, and that the first quarterly scrutiny meeting should be held in January.
 - The Committee supports a year-round performance financial scrutiny, however, the Committee is conscious of the impact this would have on the Committee's Work Programme, given the limited number of meetings within a year, and the fact that the Committee covers two Departments (which would mean having 8 meetings over a year).
5. Does the Committee believe that individual committees should consider the chapters of the Public Service Performance Report that are relevant to them rather than it being considered in full by the Committee on Budgetary Oversight?
- The Committee is of the view that the relevant chapters should be circulated to Members who should have the *option* to scrutinise them and send their comments to the Budgetary Oversight Committee.
6. The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Does the Committee believe that there would be merit in having Committees consider the Estimates at an earlier point in the year?
- The Joint Committee is strongly of the view that Estimates be considered as early as possible in the budgetary year.
7. Currently, does your Committee undertake any specific pre-budget work, consider potential budgetary measures or engage with the Department(s) in advance of the publication of the Budget? and
8. The Interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Does the Committee believe that this would be beneficial? What is the capacity of the Committee to undertake such work?
- The Joint Committee are positively inclined to make pre-budget submissions to the Departments under its remit, and submitted on behalf of the whole Committee to eliminate political partisan views, with pre-budget research supplied to the Committee by the Parliamentary Budgetary Office or by other independent means.
 - The Committee is of the view that work on this should commence as early as possible, and be completed by June at the latest in order to be useful.
 - *The Committee also agreed to adjust its yearly Work Programme to reflect this.*

9. The Interim Report also suggests that consideration could be given to having the Committee on Budgetary Oversight play a role in the scrutiny of 'substantive' supplementary estimates (i.e. where an increase in expenditure allocation is required). What are the opinions of the Committee on:
 - a. Both the Committee on Budgetary Oversight and the respective sectoral committee scrutinising 'substantive' Supplementary Estimates?
 - b. The Committee on Budgetary Oversight taking overall responsibility for scrutinising 'substantive' Supplementary Estimates?
- The Committee expressed a preference for option 'a'.

C9: Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

RESPONSE FROM THE JOINT COMMITTEE ON FINANCE, PUBLIC EXPENDITURE AND REFORM, AND TAOISEACH TO COMMITTEE ON BUDGETARY OVERSIGHT

5 FEBRUARY 2021

Support and Briefing

1. What is the capacity of the Committee to take a stronger role in oversight of financial performance by the departments/votes they oversee?

The Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach already plays a strong and active role in terms of financial oversight. However, the committee believes all sectoral committees should have a role in overseeing the financial performance of their relevant Departments.

2. Do you believe that the Committee receives a satisfactory level of data/information on expenditure and the associated outputs/outcomes from Departments? Is the data / information provided transparent and unambiguous?

The Joint Committee believes good data and information is provided but would welcome earlier receipt of such information when required to assist the committee in the consideration of Estimates and financial instruments.

3. The Interim Report suggests that improved performance data should be the basis for future parliamentary scrutiny of expenditure. Does the Committee agree with this?

The Joint Committee agrees that performance data should be an essential aspect of future parliamentary scrutiny of expenditure, but it is not the only aspect. In the case, for example, of large-scale long-term investments in significant new areas of development or change, there may be years when annual performance indicators may not capture progress or transition. However, one advantage of performance data over simpler distributive assessment is that it has the potential to identify and reflect the real-world impact of expenditure, using both qualitative and quantitative tools and indicators.

As there are plans to move to ‘wellness budgets’, it would make sense that wellness indicators be part of any performance monitoring or reporting. A lot of thought is needed around how those indicators are identified and set. It is really important that the progress which had been made towards the introduction of ‘gender and equality proofing’ in the last Oireachtas is not lost and that very clear indicators on these issues are carried forward into any new system. It is worth noting that Scotland, which has a strong gender and equality budgeting process, also applies a ‘performance’ frame on those issues.

It may also be useful to think about how indicators developed around wellness might overlap or complement other cross-cutting frames such as the SDGs, especially since the SDG targets and indicators also need to be monitored and reported on. One interesting example is Denmark where the SDG goals were the scaffolding for creation of new and detailed national and sectoral targets and indicators.

Estimates

4. The interim report states that a move towards a year-round performance scrutiny calendar could be considered. This would involve Committees considering financial and performance data more regularly, potentially quarterly. Does the Committee feel that this would be beneficial in terms of ensuring better outcomes/efficiency arising from public expenditure?

The Joint Committee believes there may be a benefit to sectoral committees considering financial and performance data more regularly, perhaps on a quarterly basis with due regard to the context of heavy workloads and agendas. The Joint Committee is also somewhat frustrated that while committees are required to discuss Estimates and can express views on them, they have no capacity to amend them or to propose alternative options – they simply report to the Dáil that the Estimates have been considered. The Joint Committee believes consideration should be given to amending the Standing Orders of the House to allow committee to give a formal opinion on Estimates that must be taken on board by the relevant Minister/Department in advance of the finalisation of the Estimates. This would also require data and information to be provided to committees in a timely fashion to allow such consideration to be undertaken and the outcome of deliberations forwarded to the relevant Minister/Department.

The Joint Committee also believes it is important to bear in mind that there are other areas of policy and performance which may need annual review, for example, the UN SDGs and UNCPRD, and these might also have to be factored into each committee's schedule in a complementary way. It is worth noting that both efficiency and effectiveness need to be considered in relation to outcomes. Both Deputies and Senators need to be part of this process.

5. Does the Committee believe that individual committees should consider the chapters of the Public Service Performance Report that are relevant to them rather than it being considered in full by the Committee on Budgetary Oversight?

The Public Service Performance Report should be considered in the round by the Committee on Budgetary Oversight but there should also be a role for each sectoral committees to look at the specific aspects of the performance report which relate to their areas and perhaps share observations with the Committee on Budgetary Oversight. Committees should also have the opportunity to express formal opinions on the report.

While there is undoubtedly a benefit to considering a performance report alongside Estimates, there may need to be some thought put into sequencing or scheduling because Estimates are considered by Deputies alone and it is very important that Senators as well as Deputies get a chance to review and engage with any performance report.

6. The Report also highlights that Ireland is an outlier in an international context in that the Estimates are not approved until well into the budgetary year. Does the Committee believe that there would be merit in having Committees consider the Estimates at an earlier point in the year?

The Joint Committee believes it would be useful to have a consideration of Estimates and, perhaps even more importantly, a consideration of interim performance earlier in the year, certainly before the summer, so that observations from committees can impact on the next budget.

The Joint Committee notes, however, that the recent practice where many measures announced in a budget only come into effect many months into the year might perhaps be making it harder to assess performance or impact of those measures.

Pre-Budget Scrutiny

7. Currently, does your Committee undertake any specific pre-budget work, consider potential budgetary measures or engage with the Department(s) in advance of the publication of the Budget?

The Joint Committee believes there are two different relevant processes around budgets. One is the analysis and assessment of likely outcomes in the budget itself, which usually follow the announcement and has tended to focus on distributive assessment based around some variant of the ESRI's SWITCH model with some micro-simulation. (The switch model has had some limitations when it comes to capturing equality and gender.) In Scotland they bring forward budgetary analysis and assessment in the specific area of equality so that instead of following the budget, it accompanies it. An "Equality Statement" is released on the same day as the budget. This budgetary 'assessment' is probably more directly the remit of Committee on Budgetary Oversight, however.

The other, hopefully complementary process, which is more the focus in this survey, is the public services and performance review and report, which could, as proposed, help inform the next year's budget. The Joint Committee believes that could be a constructive area for sectoral committee engagement.

The Joint Committee believes there are two other specific aspects of its work which could usefully contribute to the pre-budget process. One is its role in examining and engaging with the relevant Departments around the fiscal policies and EU processes which help set the frame for each year's budget. Currently a key focus of such work is likely to be the Recovery and Resilience Facility and the temporary suspension of certain fiscal rules. In the future, we may see the introduction of a new or revised version of the EU Semester process. Certain findings or observations from the Joint Committee's work in this area may be of interest to the Committee on Budgetary Oversight in its work.

In addition, the Joint Committee's consideration of tax policy is also relevant to the budgetary process and there might be a benefit to scheduling a timely annual engagement between it and the Department's Tax Policy Group, whose recommendations are often reflected in budgetary decisions. The outcomes of such a meeting might be useful to the Committee on Budgetary Oversight Committee in its work.

8. The Interim Report proposes that a more integrated approach could be taken to pre-budget scrutiny, with sectoral Committees recommending specific budgetary measures that address specific public policy challenges. Does the Committee believe that this would be beneficial? What is the capacity of the Committee to undertake such work?

The Joint Committee believes each sectoral committee should take an active role in overseeing the budgetary measures implemented by the relevant Departments and agencies within their remits. Although committees generally have packed work programmes, the Joint Committee believes this element of work is essential in ensuring good value for public money and appropriate governance and accountability frameworks and outcomes.

Supplementary Estimates

9. The Interim Report also suggests that consideration could be given to having the Committee on Budgetary Oversight play a role in the scrutiny of ‘substantive’ supplementary estimates (i.e. where an increase in expenditure allocation is required). What are the opinions of the Committee on:
- Both the Committee on Budgetary Oversight and the respective sectoral committee scrutinising ‘substantive’ Supplementary Estimates?
 - The Committee on Budgetary Oversight taking overall responsibility for scrutinising ‘substantive’ Supplementary Estimates?

The Joint Committee believes that scrutiny of ‘substantive’ Supplementary Estimates should be led by the respective sectoral committee, but there may be a role for the Committee on Budgetary Oversight in this area by perhaps reviewing where patterns are emerging in the requirement for Supplementary Estimates on a regular basis in particular areas.

Finance Bill

10. Section 7 of the Interim Report relates to the Finance Bill. Has the Committee on Finance, Public Expenditure and Reform and Taoiseach any comments that it wishes to share on the content of section 7?

The Joint Committee is very firmly of the view that it should continue to undertake processing of the Finance Bill as part of its legislative functions.

The annual Finance Bill is very much the remit of the finance committee and while there may be scope for another committee to communicate an observation or opinion by way of correspondence, the mandate and responsibility must remain with the finance committee.

There is, however, as outlined in the pre-budget section, scope for constructive engagement between committees around fiscal policy and financial considerations at an earlier point in the calendar and budgetary cycle. There may also be a value, perhaps every few years, in the finance committee conducting a deeper review or consideration of the consolidated Finance Bill, and those elements which tend to roll-over year to year. The results of such a process might also be of interest to the Committee on Budgetary Oversight.

Appendix D: Terms of Reference

Go ndéanfar, de réir mholadh an Fhochoiste ar Athleasú na Dála faoi Bhuan Ordú 107(1)(a), Buan-Orduithe Dháil Éireann i dtaobh Gnó Phoiblí a leasú tríd an mBuan-Ordú seo a leanas a ghlacadh:

219. (1) Beidh arna bhunú, a luaithe is féidir i ndiaidh ationól na Dála tar éis Olltoghcháin, Buainchoiste, dá ngairfear an Coiste um Fhormhaoirsiú Buiséid, chun scrúdú a dhéanamh agus, más cuí leis é, chun tuarascáil a thabhairt don Dáil—

(a) ar an staid fhioscach fhoriomlán, lena n-áirítear—

- (i) an staid chomhiomlánaithe maidir le hioncam agus caiteachas agus larmhéid Ginearálta an Rialtais, lena n-áirítear spriocanna struchtúracha;
- (ii) réamh-mheastacháin mheántearma don airgeadas poiblí;
- (iii) réamhaisnéisí agus forbairtí maicreacnamaíocha; agus
- (iv) rialachas fioscach ginearálta, lena n-áirítear rialacha agus priacail fhioscacha a fheidhmiú maidir leis an staid fhioscach;

(b) ar an mbeartas maidir le caiteachas poiblí, lena n-áirítear—

- (i) an staid chaiteachais ag féachaint don Uasteorainn Caiteachais Rialtais agus don tslat tomhais chaiteachais faoin gComhaontú Cobhsaíochta agus Fáis; agus
- (ii) na hUasteorainneacha Caiteachais Aireachta a bhfuil feidhm acu maidir le Meastacháin ar leith nó grúpaí Meastachán i gcomhair Seirbhísí Poiblí i gcás go bhféadfadh athruithe suntasacha ar an bpróifíl chaiteachais tionchar a bheith acu ar an staid fhioscach fhoriomlán;

(c) ar an mbeartas maidir le fáiltais an Stáitchiste.

(2) Féadfaidh an Coiste breithniú a dhéanamh ar ní a bhaineann le beartas poiblí agus a bhfuil tionchar suntasach aige ar an staid buiséid nó ar an staid fhioscach fhoriomlán: Ar choinníoll go rachaidh Cathaoirleach an Choiste, roimh thosach an bhreithnithe sin, i gcomhairle leis an gCoiste earnála iomchuí arna bhunú de bhun Bhuan-Ordú 95

That, in accordance with the recommendation of the sub-Committee on Dáil Reform under Standing Order 107(1)(a), the Standing Orders of Dáil Éireann relative to Public Business be amended by the adoption of the following Standing Order:

219 (1) There shall stand established as soon as may be, following the reassembly of the Dáil subsequent to a General Election, a Standing Committee, to be known as the Committee on Budgetary Oversight, to examine and, where it considers it appropriate, report to the Dáil on—

(a) the overall fiscal position, including—

- (i) the aggregated position on revenue and expenditure and the General Government Balance, including structural targets;
- (ii) medium-term projections for the public finances;
- (iii) macro-economic forecasts and developments; and
- (iv) general fiscal governance including the application of fiscal rules and risks to the fiscal position;

(b) public expenditure policy, including—

- (i) the expenditure position having regard to the Government Expenditure Ceiling and the expenditure benchmark under the Stability and Growth Pact; and
- (ii) Ministerial Expenditure Ceilings applying to individual Estimates or groups of Estimates for the Public Services where significant variations from the expenditure profile could potentially impact on the overall fiscal position;

(c) Exchequer receipts policy.

(2) The Committee may consider a matter of public policy with significant impact on the budgetary position or on the overall fiscal position: Provided that prior to the commencement of such consideration, the Chairman of the Committee shall consult with the relevant sectoral Committee established pursuant to Standing Order 95.

(3) Féadfaidh an Coiste freisin breithniú a dhéanamh ar an gcreat foriomlán do rannpháirtíocht pharlaiminte le linn an timthrialla buiséid agus féadfaidh sé moltaí i ndáil leis an gcéanna a dhéanamh don Fhochoiste ar Athleasú na Dála, is moltaí a bheidh le breithniú ag an gCoiste sin faoi Bhuan-Ordú 119 (1)(b): Ar choinníoll, le linn dó é sin a dhéanamh, go rachaidh an Coiste i gcomhairle—

- (a) leis na Coistí arna mbunú de bhun Bhuan-Ordú 95 maidir le haon mholtaí a bhfuil tionchar acu, i dtuairim an Choiste, ar ról nó ar chúram na gCoistí sin; agus
- (b) leis an Aire nó leis na hAirí iomchuí maidir le haon mholtaí a bhfuil tionchar acu, i dtuairim an Choiste, ar ról nó ar chúram Roinne nó Ranna,

agus tabharfaidh sé fógra i dtaobh thorthaí na gcomhairliúchán sin don Fhochoiste ar Athleasú na Dála.

(4) Beidh na cumhachtaí seo a leanas ag an gCoiste:

- (a) an chumhacht chun fios a chur ar dhaoine, ar pháipéir agus ar thaifid mar a mhínítear i mBuan-Orduithe 96(3) agus 99;
- (b) an chumhacht chun fianaise béil agus fianaise scríofa a ghlacadh agus chun aighneachtaí a ghlacadh mar a mhínítear i mBuan-Ordú 96(1) agus (2);
- (c) an chumhacht chun Fochóistí a cheapadh mar a mhínítear i mBuan-Ordú 96(4);
- (d) an chumhacht chun sainchomhairleoirí a fhostú mar a mhínítear i mBuan-Ordú 96(14);
- (e) an chumhacht chun taisteal mar a mhínítear i mBuan-Ordú 96(15)).

(5) Déanfar gach tuarascáil a bheartóidh an Coiste a thabhairt, arna glacadh ag an gCoiste, a leagan faoi bhráid na Dála láithreach agus as a aithle sin beidh cumhacht ag an gCoiste an tuarascáil sin, mar aon le cibé doiciméid ghaolmhara is cuí leis, a chlóbhualadh agus a fhoilsiú.

(6) Maidir leis an gCoiste cúig Chomhalta dhéag a bheidh air, nach comhalta den Rialtas ná Aire Stáit aon duine acu, agus ceathrar acu sin is córam dó: Ar choinníoll—

- (a) go mbeidh an Coiste agus aon Fochóistí a cheapfaidh sé comhdhéanta ar chuma go ndéanfaidh sé nó siad ionadaíocht chothrom don Dáil; agus
- (b) go mbeidh feidhm ag forálacha Bhuan Ordú 106 maidir leis an gCoiste.

(3) The Committee may also consider the overall framework for parliamentary engagement throughout the course of the budgetary cycle and may make recommendations thereon to the sub Committee on Dáil Reform for that Committee's consideration under Standing Order 119 (1)(b): Provided that, in so doing, the Committee shall consult with—

- (a) the Committees established pursuant to Standing Order 95 on any recommendations which, in the opinion of the Committee, impact on their role or remit; and
- (b) the relevant Minister or Ministers on any recommendations which, in the opinion of the Committee, impact on the role or remit of a Department or Departments,

and shall notify the results of such consultations to the sub-Committee on Dáil Reform.

(4) The Committee shall have the following powers:

- (a) power to send for persons, papers and records as defined in Standing Orders 96(3) and 99;
- (b) power to take oral and written evidence and submissions as defined in Standing Order 96(1) and (2);
- (c) power to appoint sub-Committees as defined in Standing Order 96(4);
- (d) power to engage consultants as defined in Standing Order 96(14);
- (e) power to travel as defined in Standing Order 96(15).

(5) Every report which the Committee proposes to make shall, on adoption by the Committee, be laid before the Dáil forthwith, whereupon the Committee shall be empowered to print and publish such report, together with such related documents it thinks fit.

(6) The Committee shall consist of fifteen Members, none of whom shall be a member of the Government or a Minister of State, and four of whom shall constitute a quorum: Provided that—

- (a) the Committee and any sub-Committees which it may appoint shall be constituted so as to be impartially representative of the Dáil; and
- (b) the provisions of Standing Order 106 shall apply to the Committee.

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