



OECD Accounting Framework Assessment

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to:

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07/09/2018 17:54

Cc:

Ronnie Downes, Breda Rafter, Stephen Blake, "Feargal Hartnett", Clare Campbell

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5 Attachments



Ireland Mission Description updated.doc Ireland Agenda Sept 24 - 28 (009).doc



Preliminary list of the institutions involved in the Accounting Framework...docx Terms of Reference.docx



Signed letter to PAC.pdf

Dear Mr. Lenihan,

Please see copy of letter and associated documents attached that issued to you in today's post.

Associated documents include:

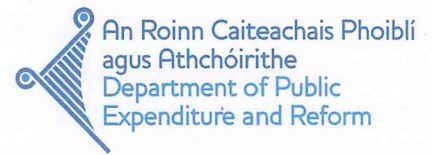
1. Terms of Reference for the OECD assessment of the central Government Accounting Framework
2. Summary of project objectives and relevant stakeholders.
3. Proposed agenda
4. List of Institutions invited to participate in the Government Accounting Framework Assessment

Kind Regards,

Clare Campbell
 Government Accounting Unit
 Department of Public Expenditure and Reform
 Government Buildings
 Upper Merrion Street
 Dublin 2
 Tel: 076-1007465

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Tá an fhaisnéis atá sa ríomhphost seo (agus in aon cheangaltáin) faoi rún agus is don fhaighteoir/do na faighteoirí beartaithe é agus é/iad sin amháin. Mura tusa an faighteoir beartaithe, níor cheart duit an teachtaireacht seo ná aon chuid di a úsáid, a nochtadh, a chóipeáil, a dháileadh ná a choinneáil. Sa chás gur trí earráid a fuair tú an ríomhphost seo, tabhair fógra dom láithreach faoi sin agus scríos gach cóip den ríomhphost seo ó do ríomhchóra(i)s. Tabhair faoi deara go bhféadfaidh an ríomhphost seo agus aon fhreagra air bheith faoi réir iarraidh ar a eisiúint de bhun an Achta um Shaoráil Faisnéise



7th September 2018

Mr. Kieran Lenihan
Clerk
Public Accounts Committee
Dáil Éireann
Leinster House
Kildare Street
Dublin

OECD Accounting Framework Assessment

Dear Mr. Lenihan,

In line with Government policy and with the agenda of Civil Service Renewal, the Department of Public Expenditure & Reform (DPER) is examining ways of modernising government financial reporting, with key reforms to be considered relating to the format of the annual appropriation accounts and more general reforms relating to greater fiscal transparency in the area of central government financial reporting.

DPER have enlisted the expertise of the OECD to conduct an assessment of the central government financial reporting framework under the EU Commission Structural Reform Support Programme (SRSP). An OECD-led international team are coming to Ireland on **24th to 28th September** to discuss these issues with the relevant stakeholders.

The OECD would like to meet with the Public Accounts Committee seeking input regarding current accounting practices and procedures and to discuss how to achieve optimal outcomes in the event of a transition to accrual accounting.

I would be grateful if you could please confirm if the Committee are in a position to participate in the OECD assessment. As the agenda illustrates, the time commitment is limited and the Committee may expect to be asked for an informed perspective on the subject matter and on the impact of possible changes for relevant Government Departments and Offices.

I have attached a copy of the proposed agenda which is currently being finalised, the terms of reference for the project and a summary of the mission objectives and relevant stakeholders.

Please confirm your availability before 14/09/2018 to Clare Campbell, Government Accounting Unit, Room 1.01 South Block, Department of Public Expenditure and Reform Government Buildings, by email to govacc@per.gov.ie or phone [0761007465].

May I thank you in advance for your constructive engagement and assistance in this important exercise.

Yours sincerely



Ronnie Downes

Assistant Secretary - Central Expenditure Policy



REPUBLIC OF IRELAND

Accounting Framework Assessment

(September 24-28, 2018)

Mission Objectives

Team Members:

Name	Title	Organisation	Contact
Delphine Moretti	Senior Policy Advisor	OECD	Delphine.MORETTI@oecd.org
Scherie Nicol	Policy Advisor	OECD	Scherie.NICOL@oecd.org
[TBD]	Junior Advisor	OECD	[TBD]@oecd.org
Tim Youngberry	Expert	OECD	Tim.Youngberry@pfmadvisory.com.au
Vikki Lewis	Expert	UK Govt.	Vikki.Lewis@hmtreasury.gov.uk
Luis Viana	Expert	Portugal Govt.	Luis.Viana@unileo.gov.pt



The Irish Department of Public Expenditure and Reform (DPER) wishes to modernize government financial reporting, with key reforms considered relating to the format of appropriation accounts, reconciliation with finance accounts, and adoption of accrual accounting and, more generally, transparency of financial reports.

This OECD mission aims to advise DPER on a potential reform roadmap to achieve its stated modernization objectives.

To the purpose, the OECD team will:

- Review existing financial reporting guidance (e.g. Circular 25/2017: Requirements for Appropriation Accounts 2017) and assessments of the financial reporting frameworks (e.g. CG&A and PAC reports);
- Collect additional information on current financial reporting practices and perceived challenges with these, through a series of interviews from September 24-28 with core stakeholders within and outside Government (see Appendix 1);
- Share and discuss reform experiences of comparable OECD countries (United Kingdom, Portugal and others) with DPER and other Irish stakeholders during two workshops in Dublin;
- Submit to DPER a report summarizing priority areas for reforms and proposing detailed recommendations for modernizing the Irish financial reporting framework as well as a tentative reform roadmap. This report will draw both on international standards and best practices and national circumstances and priorities.

A secondary aim of this OECD mission will be to discuss with all relevant stakeholders how to achieve maximum outcomes in the transition to accrual accounting. Accrual accounting generates a richer suite of information than cash accounting, but this information, once complete and reliable, needs to be put into use for preparing or improving other fiscal reports. Examples of such uses (OECD, 2017) include improving fiscal forecasts (e.g. United Kingdom); allowing better long term fiscal sustainability assessments (e.g. New Zealand); identifying fiscal risks (e.g. Austria); or better informing auditors' and parliamentary budget office's work (e.g. Canada).



REPUBLIC OF IRELAND

Accounting Framework Assessment

(September 24-28, 2018)

Draft Agenda

Team Members:

Name	Title	Organisation	Contact
Delphine MORETTI	Senior Policy Advisor	OECD	Delphine.MORETTI@oecd.org
Scherie NICOL	Policy Advisor	OECD	Scherie.NICOL@oecd.org
[TBD]	Junior Advisor	OECD	[TBD]@oecd.org
Tim YOUNGBERRY	Expert	OECD	Tim.Youngberry@pfmadvisory.com.au
Vikki LEWIS	Expert	UK Govt.	Vikki.Lewis@hmtreasury.gov.uk
Luis VIANA	Expert	Portugal Govt.	Luis.Viana@unileo.gov.pt



Monday, September 24, 2018

Time	Meeting Participants and Objective	Location
9:30 – 12:00	OECD Team meeting	TBD
13:30 – 15:30	OECD and DPER Discussion of mission's objectives and review of the answers to the OECD questionnaire in order to discuss current practices and challenges with the Irish central government financial management and reporting system.	TBD
15:30 – 17:00	OECD and DoF Discussion of current practices and processes for preparing finance accounts and challenges with bridging appropriation and finance accounts and statistics.	TBD

Tuesday, September 25, 2018

Time	Meeting Participants and Objective	Location
9:30 – 10:30	OECD and Department #1 (TBD) Discussion of current practices with accounting (procedures, resources, capacity building, etc.) and processes for establishing i) in year reports and ii) year-end appropriation accounts.	TBD
10:30 – 11:30	OECD and Department #2 (TBD) Discussion of current practices with accounting (procedures, resources, capacity building, etc.) and processes for establishing i) in year reports and ii) year-end appropriation accounts.	TBD
11:30-12:30	OECD and National Treasury Management Agency Discussion of current practices with reporting and measurement of financial instruments.	
14:00-15:00	OECD and Central Statistics Office of Ireland Discussion of current practices and processes for preparing statistics, potential gaps in accounting data and challenges with bridging appropriation and finance accounts and statistics.	TBD
15:00-16:00	OECD and Financial Management Shared Services Discussion of current IT systems used for accounting and reporting and future/potential upgrades and reforms.	TBD
16:00-17:00	OECD and Representative of Local Authorities Discussion of sequencing of local authorities' transition to accrual accounting and lessons learned from implementing FRS102.	TBD
17:00-18:00	OECD Team Debrief	TBD

Wednesday, September 26, 2018

Time	Meeting Participants and Objective	Location
9:30-11:00	OECD and Public Accounts Committee (Dáil) Discussion of the Committee's role and responsibilities and its assessment of progress and remaining challenges with government reporting to Parliament.	
11:00 – 12:00	OECD and Budget Oversight Committee (Dáil) Discussion of the Committee's role and responsibilities and its assessment of progress and remaining challenges with government reporting to Parliament.	TBD
9:30 – 11:00	OECD and Committee on Finance, Public Expenditure and Reform, and Taoiseach (Dáil) Discussion of the Committee's role and responsibilities and its assessment of progress and remaining challenges with government reporting to Parliament.	TBD
13:30-15:00	OECD and Parliamentary Budget Office (Dáil) Discussion of the PBO's role and responsibilities and its assessment of technical issues with government financial reporting to support and inform its work.	TBD
15:00-17:00	OECD and Comptroller and Auditor General Discussion of C&AG assessment of accounting processes and financial reports and recommendations for strengthening accounting and reporting.	TBD
17:00-18:00	OECD Team Debrief	TBD

Thursday, September 27, 2018

Time	Meeting Participants and Objective	Location
9:30 – 10:30	OECD and Irish Fiscal Advisory Council Discussion of the IFAC's role and responsibilities and its assessment of technical issues with government financial reporting to support and inform its work.	TBD
10:30-12:30	Civil Society Organizations and Independent Experts Discussion of independent experts and CSOs' assessment of government financial reporting.	TBD
14:00-17:00	OECD, DPER and DoF [TBC] Workshop on Transition to Accruals in OECD Countries Presentations on how the United Kingdom, Portugal, Australia and France have implemented their transition to accrual accounting, with a focus on drivers for change, sequencing of the reform, lessons learned and remaining challenges.	TBD
17:00 – 18:00	Team Debrief	TBD

Friday, September 28, 2018

Time	Meeting Participants and Objective	Location
9:30-12:00	<p>OECD, DPER and DoF [TBC]</p> <p>Workshop on Technical Challenges with Standards</p> <p>Discussion on how the United Kingdom, Portugal, Australia and France have defined their accounting standards in a number of key/challenging areas (e.g. alignment with IPSAS/IFRS/FRS102 or national standards with specific reporting criteria and measurement methods). Topics to be discussed (tentative): land and buildings, infrastructure, concessions and PPPs, financial instruments, provisions.</p>	TBD
12:00-14:00	<p>OECD and DPER</p> <p>Wrap-up lunch and discussion of preliminary findings and recommendations.</p>	TBD

Preliminary list of the institutions involved in the Accounting Framework Assessment

Government:

- Department of Public Expenditure and Reform www.per.gov.ie
 - Department of Finance www.finance.gov.ie
 - Department of Justice and Equality www.justice.ie
 - Office of Public Works www.opw.ie
 - Department of Employment Affairs and Social Protection www.welfare.ie
 - Department of Defence www.defence.ie
 - Central Statistics Office of Ireland (CSO) www.cso.ie
 - Financial Management Shared Services (FMSS)
 - National Treasury Management Agency www.ntma.ie
 - Local Authorities
- **Dáil Committees:**
 - Public Accounts Committee (PAC) www.oireachtas.ie/en/committees/32/committee-on-public-accounts/
 - Committee on Finance, Public Expenditure and Reform, and Taoiseach www.oireachtas.ie/en/committees/32/finance-per-taoiseach/
 - Budget Oversight Committee <https://www.oireachtas.ie/en/committees/32/budgetary-oversight/>
 - Parliamentary Budget Office www.oireachtas.ie/en/how-parliament-is-run/houses-of-the-oireachtas-service/parliamentary-budget-office/
- **External Oversight Institutions:**
 - Office of the Comptroller and Auditor General of Ireland (C&AG) <http://www.audgen.gov.ie>
 - Irish Fiscal Advisory Council <https://www.fiscalcouncil.ie/>
- **Other Stakeholders:**
 - Experts (e.g. CIPFA Ireland) <https://www.cipfa.org/members/regions/republic-of-ireland>
 - Chartered Accountant Ireland <https://www.charteredaccountants.ie/>
 - Civil Society Organizations (e.g. ESRI) <http://www.esri.ie/>
 - Local Authorities Representative



ANNEX I TO GRANT AGREEMENT N°...

DESCRIPTION OF THE ACTION

*ASSESSMENT OF THE IRISH CENTRAL GOVERNMENT ACCOUNTING FRAMEWORK AND DESIGN
OF A REFORM ROADMAP*

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1. CONTEXT AND OBJECTIVES OF THE ACTION

1.1 Context

The Irish Department of Public Expenditure and Reform has requested support from the European Commission under Regulation (EU) 2017/825 on the establishment of the Structural Reform Support Programme ("SRSP Regulation"). The request has been analysed by the Commission in accordance with the criteria and principles referred to in Article 7(2) of the SRSP Regulation, following which the European Commission has agreed to provide technical support to Ireland in the area of Financial Management Reform. As part of this support, the European Commission will deliver a grant to the OECD, under the conditions set out in this Grant Agreement

Ireland's Financial Management Reform Programme includes a feasibility study of a transition from cash to accrual accounting for central government departments and offices. Ireland wishes to be in a position of preparedness for any changes at EU level regarding harmonised Public Sector Accounting Standards across EU Member States (EPSAS).

While no decisions have been taken at EU level regarding harmonised European Public Sector Accounting Standards (EPSAS) Eurostat's indicative timeframe is as follows:

- **Phase 1:** Increasing fiscal transparency in the EU Member States in the short to medium term by promoting accruals accounting, e.g. IPSAS, in the period from 2016 to 2020, and in parallel developing the EPSAS framework (i.e. EPSAS governance, accounting principles and standards).
- **Phase 2:** Addressing comparability within and between the EU Member States in the medium to longer term, by implementing EPSAS by 2025.

The objective of Ireland's Financial Management Reform Programme includes increased fiscal transparency and to modernise financial management and reporting across central government departments and offices.

IMF Fiscal Transparency Report

In 2013 the International Monetary Fund (IMF) visited Ireland to evaluate Ireland's fiscal management and reporting against the standards in the IMF's newly revised Fiscal Transparency Code.

The IMF's report published in July 2013, represented the views and non-binding advice of the IMF team that conducted the review. It included detailed recommendations in relation to the nature, content and timing of fiscal and financial reporting and an action plan for implementing recommendations over the period 2013 to 2017. The IMF suggested 10 key areas of reform to bring Ireland's fiscal and financial reporting practices in line with international standards and best practices.

1. Expand the Institutional Coverage of Budgets, Statistics, and Accounts
2. Recognise a wider range of Assets and Liabilities in Balance Sheets
3. Incorporate the corresponding Accrued Flows into Fiscal Documentation

4. Modernize the Budget and Accounting Classification
5. Accelerate the Production, Presentation and Approval of the Annual Budget and Accounts
6. Prepare and Publish Long-term Fiscal Projections
7. Reconcile Fiscal Forecast Changes
8. Publish a Statement of Fiscal Risks
9. Publish an Asset and Liability Management Strategy
10. Harmonize Public Sector Financial Reporting Standards and Practices

A number of key reforms relate to expanding the coverage of financial reporting and accrual accounting and the overall management of the State's assets and liabilities. While significant progress has been made in relation to recommendations relating to the budget process and statistical reporting standards under the EU System of Accounts (ESA) 2010 less progress has been made in relation to financial reporting and accrual accounting.

Appropriation Accounts

The appropriation accounts, showing the financial transactions of Government Departments and Vote Holding Offices are prepared in accordance with the Exchequer and Audit Departments Act 1866 (as amended by the Comptroller and Auditor General (Amendment) Act 1993) and with accounting rules and procedures laid down by the Minister for Public Expenditure and Reform. The accounts are a cash-based record of the receipts and payments in the year compared with the amounts provided under the Appropriation Act. The appropriation accounts also show prior year figures for comparison purposes.

Ireland has a modified cash accounting system. Information of an accruals nature is included in the notes to the appropriation accounts. However, there is no comprehensive financial reporting of overall Exchequer revenues and expenditure. Consideration could be given to producing a Central Government Consolidated Statement which would include a consolidation of the Central Fund with the Appropriation Accounts of Government Departments and Offices. Extra budgetary funds could also be comprehended within the scope of this consolidation. This would be helpful and useful for the users of the accounts to get a snapshot of the overall financial position.

In Ireland, most other public sector bodies with the exception of central Government Departments and Offices and the Educational Training Boards prepare their financial statements in accordance with Generally Accepted Accounting Practice Financial Reporting Standard (FRS 102).

1.2 Objectives of the Action

The general objectives of this Action are to increase fiscal transparency and to modernise financial management and reporting in the Irish public sector in order to enhance sustainable growth, job creation and investment. For its own administrative purposes, the Contracting Authority declares that this is in line with Article 4 of the SRSP Regulation.

The specific objective of this Action is to scope the feasibility of a transition to accrual accounting for the Irish central government departments and offices. This will be achieved by supporting the efforts of the

Irish national authorities to define and implement appropriate processes and methodologies by taking into account good practices of and lessons learned by other countries in addressing similar situations. For its own administrative purposes, the Contracting Authority declares that this is in line with Article 5(1)(c) of the SRSP Regulation.

1.3 Relevance of the Action

Council Directive 2011/85/EU (the Budgetary Frameworks Directive) sets out the rules on Member State budgetary frameworks necessary to ensure compliance with the Treaty obligation to avoid excessive government deficits. Article 16(3) of Directive 2011/85/EU provides to create common accounting standards (European Public Sector Accounting Standards (EPSAS) which are intended to apply to all levels of government in the Member States of the EU.

In the period necessary to develop the EPSAS framework (2016-2020), Eurostat encourages the adoption of accrual accounting practices consistent with international standards by EU Member States to increase fiscal transparency.

1.4 Final Beneficiary institution and other Stakeholders

The final beneficiary of the Action is the Irish Department of Public Expenditure and Reform.

Other stakeholders in the Action will be the Department of Finance and other Vote holding Departments and Offices, the Comptroller and Auditor General of Ireland, the Central Statistics Office of Ireland, the Public Expenditure and Reform and Finance Committees in Parliament, the Irish Parliamentary Budget Office, and the Irish Fiscal Advisory Council.

2. DESCRIPTION AND IMPLEMENTATION OF THE ACTION

2.1 Outcome, Outputs and Activities

2.1.1 Outcome

The Action is expected to result in the following outcome:

- Scoping the feasibility of a transition to accrual accounting for the Irish central government departments and offices.

2.1.2 Outputs and Activities

- In order to achieve the outcome (“scoping the feasibility of a transition to accrual accounting for the Irish central government departments and offices”), the work to be carried out by the OECD will consist in providing outputs and implementing the activities listed below:

Output 1. Gaps assessment between the current Irish financial management and reporting framework and international good practice

The OECD team will review the following features of the Irish central government financial management and reporting system and compare them to international standards and good practices:

- ✓ Applicable accounting standards and standard setting-process,
- ✓ Entities covered by appropriations accounts and finance accounts and transactions recognized,
- ✓ Accounting basis and measurement modalities,
- ✓ Additional disclosures (contingent liabilities, fiscal risks, etc.),
- ✓ Bookkeeping processes,
- ✓ Financial information used for the production of fiscal statistics and the set up and monitoring of fiscal policy objectives,
- ✓ Financial information used to inform the preparation of the budget,
- ✓ Reconciliation between appropriations accounts and finance accounts,
- ✓ In-year reports and financial information routinely used by line managers.

The review will highlight existing gaps and analyse to which extent the introduction of accrual accounting for central government departments and offices could address these gaps.

This gaps assessment will be undertaken through the following activities:

- *Data and information gathering.*

The OECD team will send a detailed questionnaire to the national authorities. The questionnaire plays a key-role to provide grounding in basic accounting issues and covers topics such as laws and regulations; standards for budgeting, accounts and fiscal statistics; accounting processes; financial reports; accountants' roles and functions and IT systems.

The questionnaire is expected to be answered by core stakeholders, such as the Department of Public Expenditure and Reform, Department of Finance, Office of the Comptroller and Auditor General.

- *Mission 1*

The mission constitutes the main fact-finding source for the gaps assessment. It will cover all the areas to be reviewed and involves interviews/meetings with a wide range of relevant actors: Department of Public Expenditure and Reform, Finance committees in Parliament, Parliamentary Budget Office, Office of the Comptroller and Auditor General of Ireland, Irish Fiscal Advisory Council, Department of Finance, Central Statistics Office of Ireland, and selected financial officers in central government departments and offices. Discussions will cover existing accounting policies, systems, skills and practices in the reviewed country but also desirable evolution of the financial management and reporting framework.

The mission team will include OECD staff and temporary staff, but also officials from two OECD member countries (Portugal and the United Kingdom), who will share their experience with accrual accounting reforms (length, sequencing, associated costs, training and change management, etc.).

These activities will result in an **accounting framework assessment report**. This report will be entitled “Financial Management and Reporting in Ireland” and will be published by the OECD.

Output 2. Road map for the implementation of accrual accounting in the central government and other relevant financial management and reporting reforms in Ireland

Building on the gaps assessment, the OECD will identify desirable evolutions of the Irish central government financial management and reporting framework and expected benefits. The reforms proposed will be prioritized in a roadmap which will include:

- ✓ a description of the resources necessary to design the reforms and conduct their implementation, as well as corresponding reform governance arrangements,
- ✓ a strategy for the establishment of new accounting standards and associated technical rules (e.g. harmonized chart of accounts),
- ✓ the sequencing of their implementation through the progressive recognition of additional transactions in the finance accounts and the extension of their institutional coverage,
- ✓ proposals for associated changes in the appropriations accounts, as needed¹,
- ✓ proposals for additional financial reporting,
- ✓ the outline of main changes needed to support the reform in bookkeeping processes and IT systems²,
- ✓ proposals for training and change management strategies,

¹ While Ireland is not planning to adopt accrual budgeting, some changes in appropriations accounts might be recommended to facilitate the reconciliation between appropriation accounts and finance accounts.

² However, the roadmap will neither detail the new processes nor provide a comprehensive IT architecture proposal.

- ✓ a methodology to estimate the cost of the reforms, based on the experience of other countries.

This roadmap will be established through the following activities:

- *Remote work*

The OECD team will use the information collected for the gaps assessment to develop proposals for desirable reforms. Continuous communications will be maintained with Irish Department of Public Expenditure and Reform during this time period in order to receive any further information or clarifications or to test envisaged recommendations.

- *Mission 2*

This mission will aim at fine-tuning the recommendations of the OECD team and their sequencing with the beneficiary (Department of Public Expenditure and Reform) and possibly other core stakeholders.

- *Workshop*

At the end of mission 2, the draft roadmap will be presented by the OECD team in a workshop involving at least all actors involved in the preparation of the gaps assessment during the first mission.

These activities will result in a **reform road map and its executive presentation** (used for the workshop).

These activities will be supplemented by two study visits of the Department of Public Expenditure and Reform financed by the TAIEX programme of the European commission.

2.2 Impact

It is expected that the final beneficiary, having been consulted on the draft accounting framework assessment report and the draft Road map and executive presentation , implements the recommendations contained in the final outputs.

It is acknowledged however, such implementation remains the exclusive responsibility of the Irish authorities. Achievement of the outcome, and contributing to a longer terms impact of this Action depends to a large extent on the degree of adoption and implementation of the outputs by the Irish authorities and subsequent enforcement, as well as wider policy conditions, which remain outside the responsibility of the European Commission and the OECD.

Although subject to other contributing factors, the activities, outputs and associated outcome should over the longer-term contribute towards an increase of fiscal transparency and a modernisation of financial management in the Irish public sector.

3. LOCATION AND DURATION

3.1 Location

The Action will be mainly managed from Paris, OECD headquarters and will involve two missions in DUBLIN (Ireland).

3.2 Outputs and implementation of activities

The operational implementation period of the Action is expected to last seven months from the date of signature of the Agreement between the European Commission, represented by the SRSS, and the OECD.

The schedule of the activities and outputs is set out as indicated in the following table 1 (indicative timeline) assuming continued support and commitment by the Irish Department of Public Expenditure and Reform and assuming no delays in establishing meetings with stakeholders, getting access to relevant policy, legal and regulatory documentation and in the organisation of the and in availability of the participants. The reference date (RD) is the start of the Implementation Period (as set in Article 2.2 of the Special Conditions).

Table 1: Indicative Timeline

Activity by month	RD+1	RD+2	RD+3	RD+4	RD+5	RD+6	RD+7
<i>Output 1</i>	Questionnaire sent	Answers to the questionnaire	Analysis of the answers	Mission 1	Assessment report		
<i>Output 2</i>			Remote work			Mission 2 and workshop	Road map

Table 2: Time schedule for sharing drafts with the SRSS and the Irish department on public expenditure during the implementation of the Action

Reports	Target date for submission
1- Accounting framework assessment report	Start of Month 5
2 – Road map and executive presentation	Start of Month 7

The draft accounting framework assessment report, road map and executive presentation will be submitted to the SRSS in English for comments according to the above time schedule. The SRSS and the Irish department on public expenditure and reform will, within one month, review the draft documents and provide comments to the OECD. The comments will be taken into consideration by the OECD to finalise the outputs.

3.3 Language

Reports and meetings will be conducted in English. The presentations of the workshop will be delivered in English.

4. ORGANISATIONAL SET-UP AND REPORTING

4.1 Organisation of the Action

The OECD is responsible for the administration of the Action and the production of outputs. The Action is organised in the following way:

4.1.1 OECD team

The OECD Project co-ordinator will be an OECD staff from the Budgeting and Public Expenditure division.

The OECD team will comprise three OECD policy analysts (including the Project co-ordinator), one external consultant and two officials from OECD member countries (Portugal and the United Kingdom) with relevant experience in public sector financial management and reporting.

The head of the OECD Budgeting and Public Expenditure division will supervise the OECD team's work.

OECD project administrative staff will be responsible for organising the travel and accommodation for these participants in accordance with the OECD travel policy. The project administrative staff will also cover other logistical activities, such as preparation of publication.

4.1.2 Resources to be made available by the Irish authorities

Coordination for the Action will be achieved by a project team under the leadership of the Department of Public Expenditure and Reform. Within the Department of Public Expenditure and Reform, a Project Team Leader will act as national contact point for the activities and ensure coordination within the team and with other national stakeholders.

The Department of Public Expenditure and Reform shall provide all necessary data and information necessary for the implementation of the Action, including by answering to the questionnaire mentioned in 2.1.2 in a timely manner. The Department of Public Expenditure and Reform will also provide full support of technical equipment to OECD team during the mission in DUBLIN, including available rooms for meetings in their premises, internet access, and organisation of the meetings with other stakeholders.

It is expected that:

- the OECD team will consult with the project team at all major stages of the activities to be implemented;
- the Department of Public Expenditure and Reform will provide input for the activities of the Action, such as providing information, data and comments on the draft outputs;
- the Department of Public Expenditure and Reform will take the lead in organizing the logistical aspects of the final workshop to present the final versions of outputs;
- the outputs will be provided by the OECD to the Department of Public Expenditure and Reform and the European Commission directly;

4.2 Coordination with the SRSS

The support within this Action will be provided through this Grant Agreement between the European Commission and the OECD. This agreement is set in the overall framework of technical support effort coordinated by the European Commission's Structural Reform Support Service (SRSS).

The OECD will be in charge of the implementation of the activities and will maintain regular communication with the SRSS of the European Commission to take stock of the Action and future needs and to provide information on progress towards meeting Action objectives and outputs.

The OECD will inform SRSS in due time about upcoming missions involving the European Commission. The SRSS will associate the EPSAS taskforce of Eurostat to the activities of the Action, as needed.

The OECD will communicate the draft outputs to SRSS for review according to the time schedule referred to in section 3.2.

5. RISKS AND UNCERTAINTIES ABOUT IMPLEMENTATION

There are a number of risks associated with the implementation of the Action, which the OECD will take steps to identify and mitigate. See Table 3 below for information regarding external risks.

Table 3: External Risk Analysis and Mitigation Efforts	
Risk	Mitigation
Lack of effective co-operation by the Irish Department of Public Expenditure and Reform or government bodies. The Irish Department of Public Expenditure and Reform and other stakeholders might refuse meetings, provision of expertise or relevant information that is needed to advance in the analysis of policies and the production of recommendations.	The Action has been structured in response to request from the authorities and closely matching their needs and the country's priorities. The scope of work has been discussed and agreed with the authorities. These risks are mitigated by government-wide obligations with EU institutions and by close co-operation with the coordinating Ministry, the SRSS and the OECD.
Delays or otherwise low quality of the external consultant's work.	The OECD team will undertake the selection of the external consultant and will also closely monitor the consultant's work, including by reviewing the inputs as needed.
Negative perception of recommendations.	The OECD is committed to ensure understanding and acceptance of the recommendations to the greatest extent possible, while recognizing that there will always be interest groups that will oppose reforms. It will therefore organise a workshop for the executive presentation of the reform roadmap. The OECD will communicate its recommendations in a clear and simple summary.

8. INDICATIVE LOGICAL FRAMEWORK MATRIX

Outcome	Outputs	Sources of data	Completion Date	Activities
Scoping the feasibility of a transition to accrual accounting for the Irish central government departments and offices	<i>1. Gaps assessment between the current Irish financial management and reporting framework and international good practice</i>	<i>1. Accounting framework assessment report</i>	<i>Five months after the start of the Implementation Period</i>	<i>Data and information gathering</i>
				<i>Mission 1</i>
	<i>2. Road map for the implementation of accrual accounting in the central government and other relevant financial management and reporting reforms in Ireland</i>	<i>2. Reform roadmap and executive presentation</i>	<i>Seven months after the start of the Implementation Period</i>	<i>Remote work</i>
				<i>Mission 2</i>
			<i>Workshop</i>	