



**Tithe an
Oireachtais**
**Houses of the
Oireachtas**

Tithe an Oireachtais
An Coiste um Fhormhaoirsiú Buiséid
An Dréacht - Chlár Oibre

Houses of the Oireachtas
Committee on Budgetary Oversight
Work Programme

March – December 2018

32CB0005

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1. Membership of the Budgetary Oversight Committee



Seán Barrett TD

Fine Gael

Richard Boyd-Barrett TD
Solidarity – People
Before Profit

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Thomas P.
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Independents 4
Change



Joan Burton TD

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Pearse Doherty TD

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Stephen Donnelly TD

Fianna Fáil



Martin Heydon TD

Fine Gael



John Lahart TD

Fianna Fáil



Michael McGrath TD

Fianna Fáil



Jonathan O'Brien TD Eamon Ryan TD
Sinn Féin Green Party

Notes

1. Committee established by order of the Dáil of 21 July 2016
2. Deputies nominated by the Dáil Committee of Selection and appointed by Order of the Dáil of 21 July 2016.
3. Deputy Marc Mac Sharry was discharged from the Committee and Deputy John Lahart was appointed to Committee in replacement for him by order of the Dáil on 31 January 2017.
4. Deputy Kate O'Connell was discharged from the Committee and Deputy Pat Deering was appointed to Committee in replacement for her by order of the Dáil on 9 February 2017.
5. Deputy John Paul Phelan was discharged from the Committee and Deputy Josepha Madigan was appointed to the Committee in replacement for him by order of the Dáil on 11 July 2017.
6. Deputy Pat Deering was discharged from the Committee and Deputy Martin Heydon was appointed to the Committee in replacement for him by order of the Dáil on 13 July 2017.
7. Deputy David Cullinane was discharged from the Committee and Deputy Jonathan O'Brien was appointed to the Committee in replacement for him by order of the Dáil on 3 October 2017.
8. Deputy Josepha Madigan was discharged from the Committee and Deputy Colm Brophy was appointed as Chairman of the Committee by order of the Dáil on 12 December 2017.

2. Standing Orders

The Select Committee on Budgetary Oversight was established on 21 July 2016 following the adoption of Dáil Standing Order 186A. Standing Orders 89(4) of Dáil Éireann require that *“as soon as may be following its appointment and thereafter at annual intervals, each Select Committee shall prepare a work programme and shall lay such programme before Dáil Éireann and Seanad Éireann”*.

3. Role of the Budgetary Oversight Committee

The Budget is key to decisions on how national resources are allocated. The Committee on Budgetary Oversight was established as a Standing Committee on the 21st July 2016 as a strategic Committee designed to enhance the level of Oireachtas participation in the Budget process.

The Committee can achieve this by:

- Engaging with a range of stakeholders and carrying out *“ex-ante”* (before the event) scrutiny of Revenue and Expenditure options before the Budget;
- Carrying out *“ex-post”* (after the event) scrutiny to evaluate Budget measures or to assess how budgeted spend or revenue projections compare with out-turns;
- Bringing a strategic focus to monitor macro-economic developments and fiscal risks;
- Engaging with the Irish Fiscal Advisory Council (IFAC) to receive its regular assessments of compliance with fiscal rules;
- Preparing a Pre-Budget report each year.

4. Parliamentary Budget Office

The Committee's Budget Scrutiny process is also informed by evidence-based research and analysis carried out by independent [Parliamentary Budget Office \(PBO\)](#).

Ireland's Parliamentary Budget Office (PBO) was established (on 15th August 2017) within the Houses of the Oireachtas as part of the process of Dáil reform. A commitment in relation to its establishment was also made in the Programme for a Partnership Government.

The Committee engages with the PBO on a regular basis in relation to its Work Programme. As the PBO develops specialist economic expertise, the Committee will ensure that it makes use of its advice and expertise to develop the Oireachtas budget framework, in line with international best practice.

5. Scrutiny of Budget

5.1 Ex-post Scrutiny

As part of its 2018 Work Programme, the Committee will carry out ex-post scrutiny in relation to Budget 2018. The Committee is preparing a report on Commercial Stamp Duty. A key Budget revenue-raising measure was Financial Resolution No.2, which increased from 2 to 6 per cent the Stamp Duty on residential property transactions. At Report Stage of the Bill, a further amendment (new Section 83 D) introduced a stamp duty refund scheme in relation to land purchased for the development of residential units.¹ The focus of the Committee report is to examine the processes and quality of information used to make budget decisions. This is a good example of ex-post budget scrutiny in practice.

5.2 Ex-Ante Scrutiny

In 2017, the Committee carried out ex-ante scrutiny of the Budget between July and October. This involved considering the Summer Economic Statement and carrying out detailed analysis of the Tax Strategy Papers which set out a range of revenue and expenditure options in relation to the budget. The Committee then prepared a detailed pre-budget report in October 2017.

¹ Parliamentary Budget Office: Post-Budget 2018 Commentary for the Committee on Budgetary Oversight – 24 October 2017, p. 15.

In 2018, the Committee proposes to carry out ex-ante scrutiny of the budget by:

- Engaging with stakeholders at an earlier stage in the budget cycle, where possible between April and June 2018;
- Producing an initial pre-budget scrutiny report, based on available evidence, after the National Economic Dialogue;
- Preparing a second report in late September to include analysis of the Tax Strategy Papers and the Expenditure review, and receipt of evidence from the PBO, IFAC, and other stakeholders.

6. Ex-Ante Engagement with Stakeholders, as part of Budget scrutiny process

In order to be impactful, the Committee may seek to meet with relevant stakeholders to discuss their pre-budget assessments, including the ESRI, the Parliamentary Budget Office and NERI.

The Committee agreed to carry out ex-ante engagement, in March – June with Civic Groups and a broad range of external stakeholders to discuss specific budget revenue and expenditure options. For example, the Committee agreed to the following meeting:

- Ex-Ante Scrutiny: Meeting with Fórsa to consider Tax Treatment of Trade Union Subscriptions (March 2018)

7. Role of Parliament in Budget Scrutiny

7.1 Exchange of views with Scottish Financial Scrutiny Unit

The Committee agreed to hold an exchange of views on equality budgeting, and budget scrutiny with financial scrutiny experts from the Scottish Parliament in April 2018.

7.2 Meeting with OECD

The Committee agreed to meet with budget scrutiny experts from the OECD to discuss international best practice in this area in May 2018.

8. Engagement with Ministers

8.1 Engagement with Ministers

The Select Committee will meet with the Minister for Finance, Public Expenditure and Reform in relation to the following budget milestones:

- ✚ Stability Programme Update – April 18, 2018
- ✚ Summer Economic Statement – June 2018
- ✚ Ex-ante Scrutiny of Budget 2019 – September 2018
- ✚ Pre-budget – October 2018

With regard to the Summer Economic Statement, the Committee noted that this is a key budget cycle publication. The Committee recommends that this should be published earlier in the budget cycle (early summer), to allow the Committee to begin its ex-ante budget scrutiny of Budget 2019 at an earlier stage.

9. Engagement with the Irish Fiscal Advisory Council (IFAC)

The Committee agreed to regular engagement with the Irish Fiscal Advisory Council (IFAC), in line with the Committee's budget scrutiny / oversight role. The Committee plans to engage as follows before Budget 2019:

- ✚ Fiscal Assessment Report – June 2018
- ✚ Pre Budget Assessment – September 2018

10. European Commission

The Committee needs to monitor the following topics and, if appropriate, organise a meeting with the European Commission to consider:

-  EC European Economic Forecast (Spring 2018)
-  Country Specific Recommendations
-  Assessment of 2018 Stability Programme for Ireland
-  The Multi-annual Financial Framework
-  Reform of the EU Budget

The Committee will continue to further its engagement with European bodies such as the EU Commission and the EU Parliament and its committees during 2016, including delegation visits where appropriate. For example, in February 2018, the Committee met with the European Parliament Budgets Committee.

11. Committee Reports

11.1 Pre-Budget Report 2019

The Committee's main role will be to prepare one / two core pre-budget reports before the publication of Budget 2019 in October.

It is intended to produce an ex-ante report towards the start of the summer, to allow the Committee to engage with the Minister much earlier in the Budget cycle, and to also prepare a second report in September 2018. The Committee reports will be evidence-based, making best use of advice and available data from the Parliamentary Budget Office and other sources.

11.2 Local Property Tax Revaluation

The Committee agreed to prepare a report on this topic following meetings with officials from the Department of Finance and the Office of the Revenue Commissioners.

11.3 Rainy Day Fund

The Committee agreed to prepare a report on the Rainy Day Fund. The Committee received briefings from the Parliamentary Budget Office and met with the Irish Fiscal Advisory Council and the Minister for Finance in December 2018. A report is being prepared on this topic, and it is expected that the Committee will carry out pre-legislative scrutiny of the Heads of the Bill before Budget 2019.

11.4 Commercial Stamp Duty

The Committee agreed to carry out ex-post scrutiny of this budget measure, and a report is being finalised on this topic.

In December 2017 and January 2018, the Committee met with the Irish Fiscal Advisory Council, officials from the Department of Finance and the Office of the Revenue Commissioners.

The Committee also considered analysis from the Parliamentary Budget Office's Post-Budget Review 2018; Dáil / Seanad budget debates, and Committee Stage debates.

11.5 Multi-Annual Financial Framework

The Committee agreed to prepare a report on the Multi-annual Financial Framework to highlight issues raised in discussion with the European Union Budgets Committee and also at the European Union Parliamentary Week conference.

11.6 European Commission Post-Surveillance Report 2018

The Committee is reviewing this report, and may wish to report to the Dáil on issues raised.

11.7 Sustainability of Corporation Tax

The Committee will continue to monitor the sustainability of Corporation Tax and the fiscal / budgetary risks that arise from the concentration of Corporation Tax, before Budget 2019. In line with its remit to monitor budgetary and fiscal risks, the Committee will prepare a report on this topic.

12. Other Key Themes

In the period March to December 2018, in addition to the core business of preparing its pre-budget report, the Committee also wishes to focus on a small number of major topics relating to the budget framework. The aim is to produce well-researched reports on these strategic topics by end of 2018:

12.1 Equality Budgeting: Gender budgeting Pilot Project

A Committee report will be prepared on gender budgeting. In February, the Committee held meetings with officials from the Department of Public Expenditure and Reform and the National Women's Council of Ireland to examine the Department's pilot Equality Budgeting Programme. The Committee also considered briefing material prepared by the Parliamentary Budget Office on this topic.

12.2 Climate Change – proofing the Budget

The Committee agreed to seek advice from the Parliamentary Budget Office (PBO) on the best approach to climate-proofing future budgets. This is a long-term project of strategic interest to the Committee and will be reviewed during the year.

12.3 Public Service Performance Report 2017

The Committee will review this report and this may result in further engagement with the Department of Public Expenditure and Reform in April 2018.

12.4 Pre-Legislative Scrutiny

In addition to this core work, the Select Committee is also due to carry out pre-legislative scrutiny (PLS), before the Budget on the general scheme, or draft heads of Bills in respect of the following budget measures:

-  Pre-Legislative Scrutiny of Heads of Bill on Rainy Day Fund
-  Pre-Legislative Scrutiny of Heads of Bill on Local Property Tax Re-Valuation

13. Other Key Themes

The Committee is also considering a number of other issues which are relevant in terms of budget / fiscal risk.

13.1 Review of Capital Plan

In September 2017, the Committee produced a comprehensive report on the Capital Plan. In February, the Committee agreed to request feedback from the Parliamentary Budget Office (PBO) on relevant issues arising from the published Capital Plan, Ireland 2040, in relation to Budget 2019, and the Committee may prepare a report on this topic.

13.2 Public Private Partnerships

The Parliamentary Budget Office (PBO) is preparing a briefing note on this issue for consideration by the Committee.

14. Agreement of Work Programme

Issues not considered by of 2018 can form part of the Work Programme for 2019

The Work Programme for March – December 2018 of the Select Committee on Budgetary Oversight was agreed by the Committee at its meeting on 7 March 2018. In accordance with Standing Orders of Dáil Éireann, it was agreed that the Work Programme be laid before Houses of Oireachtas and published on the Oireachtas website.



Colm Brophy, TD.

Chairman

March 7 2018

15. Appendix

15.1 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:

‘186A. (1) Beidh arna bhunú, a luaithe is féidir i ndiaidh ationól na Dála tar éis Olltoghcháin, Buachoiste, 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 Iarmhéid Ginearálta an Rialtais, lena n-áirítear spriocanna struchtúracha;
 - (ii) réamh-mheastacháin mheántéarma 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

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:

‘186A. (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) 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 Státchiste.

(2) Féadfaidh an Coiste breithniú a dhéanamh ar ní a bhaineann le beartas poiblí agus a bhfuil tionchar suntasach aige ar an staid bhuiséid 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 84A.

(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 107(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 84A 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:

(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 84A.

(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 107(1)(b): Provided that, in so doing, the Committee shall consult with—

(a) the Committees established pursuant to Standing Order 84A 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) an chumhacht chun fios a chur ar dhaoine, ar pháipéir agus ar thaifid mar a mhínítear i mBuan-Orduithe 85(2A) agus 88;
- (b) an chumhacht chun fianaise béil agus fianaise scríofa a ghlacadh agus chun aighneachtaí a ghlacadh mar a mhínítear i mBuan-Ordú 85(1) agus (2);
- (c) an chumhacht chun Fochoistí a cheapadh mar a mhínítear i mBuan-Ordú 85(3);
- (d) an chumhacht chun sainchomhairleoirí a fhostú mar a mhínítear i mBuan-Ordú 85(8);
- (e) an chumhacht chun taisteal mar a mhínítear i mBuan-Ordú 85(9).
- (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 choinníol—
- (a) go mbeidh an Coiste agus aon Fhochoistí a cheapfaidh sé comhdhéanta ar chuma go ndéanfaidh sé nó siad ionadaíocht chothrom don Dáil; agus
- (b) go mbeidh feidhm ag forálacha Bhuan Ordú 95 maidir leis an gCoiste.
- (7) Go dtí go gcuirfeadh a mhalairt in iúl sa 32ú Dáil, leanfaidh an Roghchoiste um Fhormhaoirsiú Buiséid, a bunaíodh le hOrdú an 21 Iúil 2016 ón Dáil, ar marthain mar an Buanchoiste um Fhormhaoirsiú Buiséid, agus dá réir sin, bainfidh comhaltas reatha, Cathaoirleach, páipéir agus clár oibre an Roghchoiste leis an
- (a) power to send for persons, papers and records as defined in Standing Orders 85(2A) and 88;
- (b) power to take oral and written evidence and submissions as defined in Standing Order 85(1) and (2);
- (c) power to appoint sub-Committees as defined in Standing Order 85(3);
- (d) power to engage consultants as defined in Standing Order 85(8);
- (e) power to travel as defined in Standing Order 85(9).
- (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 95 shall apply to the Committee.
- (7) Until further notice in the 32nd Dáil, the Select Committee on Budgetary Oversight, established by Order of the Dáil of 21st July, 2016, shall continue in being as the Standing Committee on Budgetary Oversight, and accordingly, the current membership, Chairman, papers and work programme of the Select Committee shall

mBuanchoiste.’

be those of the Standing Committee.’.

—*Ríona Uí Dhochartaigh, Aire Stáit ag Roinn an Taoisigh.*