



**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

December 2020 – June 2021

33CBO004

Table of Contents

Membership of the Budgetary Oversight Committee	3
Standing Orders	4
Role of the Committee on Budgetary Oversight (CBO)	4
Parliamentary Budget Office (PBO) and the	5
Irish Fiscal Advisory Council (IFAC)	5
Stability Programme Update	5
Stand-still cost pressures	6
Oversight Frameworks	6
Public Service Performance Report	6
Public Spending Code	6
Revenue Analysis	7
Tax expenditures.....	7
Tax gap	7
Agreement of Work Programme	8
Appendix – Terms of Reference	9

Membership of the Budgetary Oversight Committee



Richard Boyd-Barrett
TD
Solidarity – People
Before Profit



Seán Canney TD
Independent



Ciaran Cannon TD
Fine Gael



Pearse Doherty TD
Sinn Féin



Bernard Durkan TD
Fine Gael



Mairéad Farrell TD
Sinn Féin



Michael Healy-Rae
TD
Independent



Neasa Hourigan TD
Green Party



John Lahart TD
Fianna Fáil



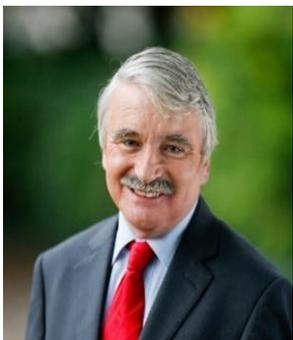
Brian Leddin TD
Green Party



Aindrias Moynihan
TD
Fianna Fáil



Ged Nash TD
Labour



Willie O'Dea TD
Fianna Fáil



Kieran O'Donnell TD
Fine Gael



Patricia Ryan TD
Sinn Féin

Standing Orders

The Select Committee on Budgetary Oversight was established on 21 July 2016 following the adoption of Dáil Standing Order 186A. Standing Order 100(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”.

Role of the Committee on Budgetary Oversight (CBO)

The Budget is key to decisions on how national resources are allocated. The Committee on Budgetary Oversight (CBO) was established on the 21st July 2016 as a Standing Committee designed to enhance the level of engagement by the Oireachtas 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 Fiscal Advisory Council (FAC) to receive its regular assessments of compliance with fiscal rules;
- Holding budget scrutiny meetings with the Minister for Finance and Public Expenditure and Reform at key budget milestones;
- Making recommendations to Dáil Éireann on measures to enhance and strengthen the budget scrutiny framework.

The Committee is currently in the process of answering a Dáil Order which will result in it making recommendations on the engagement by the Oireachtas in the budget cycle. This work may have implications for the role of the Committee as set out above, and also for the work programme as outlined below.

Parliamentary Budget Office (PBO) and the Irish Fiscal Advisory Council (IFAC)

The Committee's work programme is informed by evidence-based research, including analysis provided by the Committee Secretariat, and by the independent [Parliamentary Budget Office \(PBO\)](#).

As part of the Dáil reform process, Ireland's Parliamentary Budget Office (PBO) was established on 15th August 2017. The Committee engages with the PBO and with on a regular basis. As the PBO develops specialist economic expertise, the Committee will endeavour to makes use of its advice and expertise to develop the Oireachtas budget framework, in line with international best practice.

The Fiscal Advisory Council was established as an independent fiscal institution in July 2011, and put on a statutory footing in December 2012 by the [Fiscal Responsibility Act](#).

The Committee also engages with the Fiscal Advisory Council (FAC) on a quarterly basis to consider its Fiscal Assessment Reports.

Stability Programme Update

Stability Programme Update (SPU)

The Committee on Budgetary Oversight during the 32nd Dáil had committed to undertaking pre-SPU scrutiny in 2020. While this did not happen, recent work by this Committee has stated a willingness that this should be considered going forward. The publication of the SPU is a key point in the European Semester and represents the state's medium-term budgetary Plan.

Currently, the Committee does not engage with the SPU until post-publication, and the Committee believes a level of engagement in advance of this may be beneficial. The final report to answer the Dáil Order will provide further clarity on the nature of this engagement.

Stand-still cost pressures

The Committee recognises that the cost of ‘standing still’ i.e. delivering the same quantum of public services, taking into account pressures due to demographic change and inflation. Failure to account for these costs correctly can have a detrimental impact on the delivery of public services. The Committee also notes that its predecessor of the 32nd Dáil had planned on undertaking this work before the dissolution of the Dáil. The Committee believes that this work should be undertaken in the near future to ensure that the cost in meeting these pressures is being sufficiently allowed for.

Oversight Frameworks

Equality, Green and Wellbeing Budgeting

In October 2020, the Committee met with the OECD to discuss Performance Budgeting, including Equality and Wellbeing budgeting. The Committee recognises the important role that these frameworks can have with regard to outcomes, and the potential for them to provide the Oireachtas with greater oversight of departmental performance. Considering this, the Committee believes that it is important that it examines the overall frameworks, their adequacy and implementation.

Public Service Performance Report

As with the above, the introduction of, and improvement to, the Public Service Performance Report (PSPR) has led to better oversight of what is being delivered by public resources. However, the Committee believes that some additional improvements could result in significant benefits for Oireachtas committees. While the Committee believes scrutiny of individual votes in PSPR is best served if undertaken by Sectoral Committees, it also believes that BOC has an important role to play in monitoring the overall Report, including the type of information contained in the report and how it can be improved. The Committee also notes that the Committee of the 32nd Dáil made a number of recommendations regarding the PSPR.

Public Spending Code

The Committee recognises the important role that the Public Spending Code plays ensuring that, in particular, capital projects are delivered cost effectively. It is intended to consider the overall Code and its goodness of fit in order to ensure that best value is being achieved for public expenditure.

Spending Review

The Committee notes the important role that the Spending Review cycle plays in evaluating expenditure and promoting the efficient use of public resources. The Committee also notes the recent external review of the Spending Review¹ which observed that there should be greater parliamentary awareness of the spending review process through more interaction with the Houses of the Oireachtas. The Committee believes that BOC should be the conduit between the Spending Review and the wider Oireachtas, and should have a role in monitoring the overall cycle, the topics it is addressing and how its findings are being incorporated. However, it also believes that there is an important role to be played by individual sectoral committees.

Revenue Analysis

Tax expenditures

The Committee on Budgetary Oversight during the 32nd Dáil undertook significant work in scrutinising tax expenditures which culminated in the publication of a report. Several recommendations were made in this report and it is timely to follow up on these now and to consider how they have been implemented. It is also believed that ongoing parliamentary monitoring of tax expenditures is needed given their fiscal cost.

Tax gap

The overall tax gap for the economy; the difference between the level of taxation that is proposed to be collected and the amount that is actually collected is of interest to the Committee. Tax gaps emerge for a number of reasons, such as aggressive tax planning, tax arbitrage, tax fraud, and tax evasion, but the revenue loss can also be caused by negligent omissions and insolvencies. The Committee believes that it is important that the size of the tax gap can be estimated and that the reasons for this are understood.

1

Agreement of Work Programme

The Committee agreed to review its work programme on a regular basis. Inclusion in this Work Programme does not necessarily mean that a topic will be considered by the Committee within the timeline set out. Similarly, non-inclusion of a topic will

The Work Programme for December 2020 – June 2021 of the Select Committee on Budgetary Oversight was agreed by the Committee at its meeting on 19 January 2021. 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.



Neasa Hourigan, TD.

Committee Chair

19 January 2021

Appendix – Terms of Reference

Go ndéanfar, de réir mholadh an Fhochoiste ar Athleasú na Dála faoi Buan 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, Buanchoiste, dá ngairfear an Coiste um Fhormhaoirsiú Buiséid, chun scrúdú a dhéanamh agus, más cú 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:

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) 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 fáltais 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 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 gcomhairliúcháin sin don Fhochoiste ar Athleasú na Dála.

(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) 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) 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 Fochoistí 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 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 106 maidir leis an gCoiste.

(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.