



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

Houses of the Oireachtas
Committee on Budgetary Oversight
Work Programme

November 2021 – October 2022

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Membership of the Budgetary Oversight Committee



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Seán Canney TD
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Fine Gael



Patricia Ryan TD
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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.

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 make 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

The publication of the SPU is a key point in the European Semester and represents the state's medium-term budgetary Plan. In 2021, the Committee held a number of meetings with stakeholders prior to publication of the SPU and published a pre-SPU report outlining a number of areas that needed to be addressed. This was a departure from previous years where Committee only engaged on the SPU after publication. The Committee plans to publish a pre-SPU report in 2022.

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 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.

¹ [Rationale, Operation and Issues: Irish Spending Review Process, 2017-2019](#)

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.

Wealth Taxes/New Revenue Raising Measures

There have been many calls to generate additional revenue. The Committee will examine the potential for new revenue raising measures, such as wealth taxes/taxes on assets, as an alternative or increased source of revenue.

Inflation

Inflation has emerged as an issue of concern following the re-opening of the global economy. Inflation has the potential to significantly impact budgetary decisions. The Committee plans to examine the drivers of inflation and the potential policy responses.

Carbon Tax

With increases in carbon tax legislated for, it is important to ensure a just transition and that the revenue raised is delivering for people. The Committee plans to examine how the revenue raised compares to projections, its impact on households, businesses and the State and how the funds raised are being spent.

Corporation Tax

The changes to the international corporation tax framework could have a significant impact on Ireland's corporation tax revenues. The Committee plans to examine the changes to understand the potential impacts and what steps can be taken to minimise them.

EU Economic Governance Framework

The lifting of the suspension of the EU fiscal rules following the pandemic could impact on budgetary decisions in the coming years. The Committee plans to make a submission to the European Commission's consultation process and monitor any changes in EU Economic Governance Framework and its impact on the Irish budgetary process.

Data and Reporting

Access to clear data in a timely manner is vital for both budgetary decisions and oversight. The information must also be presented in a clear and accessible manner. The Committee will examine the reporting of financial information by Government and State bodies.

The format of the revised estimates has also been an issue of concern for Committees. The Committee will examine the estimates format with a view to making recommendations on how it could evolve.

Welfare Spending over the Medium Term

How to ensure the social protection and taxation system keeps up with changes to the cost of living, income equality etc is an important part of budgetary management. This includes areas related to social welfare expenditure over the medium term, including how to index supports, poverty measures, and areas such as pensions and the cost of living with disabilities.

The Committee will examine indexation of the social protection and taxation system and if it would provide greater budgetary scrutiny, ensure reduction in poverty levels and maintain pace with the cost of living.

Interparliamentary Activities

The Committee will engage and consider interparliamentary activities with the EU and other national parliaments that reside under the Committee's remit.

In particular, the Committee will engage with the European Parliamentary Week and other activities regarding budgetary scrutiny.

Committee Reports

The Committee will publish a number of reports throughout the budgetary cycle on the topics covered. The Committee also plans to publish a final pre-Budget report and a post-Budget report.

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 does not preclude the Committee from considering such areas.

The Work Programme for November 2021 – October 2022 of the Select Committee on Budgetary Oversight was agreed by the Committee at its meeting on 15 December 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

Neasa Hourigan, TD.

Committee Chair

15 December 2021

Appendix – 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 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 tsat 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

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|---|---|
| <p>(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;</p> | <p>(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;</p> |
| <p>(c) ar an mbeartas maidir le fáltais an Státhchiste.</p> | <p>(c) Exchequer receipts policy.</p> |
| <p>(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</p> | <p>(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.</p> |
| <p>(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—</p> | <p>(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—</p> |
| <p>(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</p> | <p>(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</p> |
| <p>(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,</p> | <p>(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,</p> |
| <p>agus tabharfaidh sé fógra i dtaobh thorthaí na gcomhairliúchán sin don Fhochoiste ar Athleasú na Dála.</p> | <p>and shall notify the results of such consultations to the sub-Committee on Dáil Reform.</p> |

(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.