Ireland

“OECD countries should provide for an inclusive, participative and realistic debate on budgetary choices, by offering opportunities for the parliament and its committees to engage with the budget process at all key stages of the budget cycle”.

OECD Recommendation on Budgetary Governance

“The recommendations in this OECD report are laid out in a clear manner and mirror our own drive for reform. This report will be a ‘bible’ for the way forward in terms of how the spending of public money is scrutinised.”

Mr SEÁN BARRETT, Ceann Comhairle (Speaker)

“This report provides us with an excellent roadmap that can shape the debate around how best to move forward. This process will no doubt lead to a more effective Parliament that is fit for purpose and that is on par with our European colleagues.”

Mr LIAM TWOMEY, Chairman of the Finance, Public Expenditure and Reform Committee

IRELAND 2015

<table>
<thead>
<tr>
<th>Parliament name:</th>
<th>Houses of the Oireachtas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model of Parliament:</td>
<td>“Westminster style”</td>
</tr>
<tr>
<td>Head of state:</td>
<td>Directly elected President</td>
</tr>
<tr>
<td>Structure of Parliament:</td>
<td>Bicameral</td>
</tr>
<tr>
<td>Voting system:</td>
<td>Proportional</td>
</tr>
<tr>
<td>Head of government:</td>
<td>Taoiseach (Prime Minister)</td>
</tr>
</tbody>
</table>
“OECD countries should provide for an inclusive, participative and realistic debate on budgetary choices, by offering opportunities for the parliament and its committees to engage with the budget process at all key stages of the budget cycle.”

OECD Recommendation on Budgetary Governance

“The recommendations in this OECD report are laid out in a clear manner and mirror our own drive for reform. This report will be a ‘bible’ for the way forward in terms of how the spending of public money is scrutinised.”

Mr SEÁN BARRETT, Ceann Comhairle (Speaker)

“This report provides us with an excellent roadmap that can shape the debate around how best to move forward. This process will no doubt lead to a more effective Parliament that is fit for purpose and that is on par with our European colleagues.”

Mr LIAM TWOMEY, Chairman of the Finance, Public Expenditure and Reform Committee

IRELAND 2015

<table>
<thead>
<tr>
<th>Parliament name:</th>
<th>Houses of the Oireachtas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure of Parliament:</td>
<td>Bicameral</td>
</tr>
<tr>
<td>Model of Parliament:</td>
<td>“Westminster style”</td>
</tr>
<tr>
<td>Voting system:</td>
<td>Proportional</td>
</tr>
<tr>
<td>Head of state:</td>
<td>Directly elected President</td>
</tr>
<tr>
<td>Head of government:</td>
<td>Taoiseach (Prime Minister)</td>
</tr>
</tbody>
</table>
Over the past decade, Ireland’s system of public administration has come to terms with acute challenges arising from the global economic and financial crisis, and the country is now set for a return to vibrant growth. In response to the crisis, Ireland has been distinguished by a commitment to broad-based public-sector reform. An important strand of the national reform effort has been the activation of the national parliament, in particular the budget process.

The OECD Review examines the reform effort to date and highlights practical ways in which the parliament could further enhance its engagement in the budget process. The main recommendations of the Review fit into three thematic areas:

- Procedural changes
- Enhanced information
- Institutional supports

WHAT ARE PARLIAMENTARY BUDGET REVIEWS?

OECD Parliamentary Budget Reviews provide legislatures with a detailed assessment of parliamentary engagement in the national budget process and its ability to deliver effective oversight. The reviews offer comprehensive consideration of the existing arrangements in light of international best practice, a diagnosis of issues at hand and a set of interconnected and mutually supporting recommendations. The aim is to strengthen the parliament’s potential to engage in the budget process in a meaningful and impactful way.

WHY A REVIEW OF BUDGET OVERSIGHT BY PARLIAMENT IN IRELAND?

Over the past decade, Ireland’s system of public administration has come to terms with acute challenges arising from the global economic and financial crisis, and the country is now set for a return to vibrant growth. In response to the crisis, Ireland has been distinguished by a commitment to broad-based public-sector reform. An important strand of the national reform effort has been the activation of the national parliament, in particular the budget process.

The OECD Review examines the reform effort to date and highlights practical ways in which the parliament could further enhance its engagement in the budget process. The main recommendations of the Review fit into three thematic areas:

- Procedural changes
- Enhanced information
- Institutional supports

OECD practice is for a principles-grounded approach to our Parliamentary Budget Reviews. The key principles are:

1. Respect for established national traditions
2. Focus upon issues identified by stakeholders
3. Consistency with the ongoing trajectory of national reform
4. Promotion of an active, engaged, effective parliament
5. Respect for constitutional constraints and prerogatives of the executive
6. Balanced, proportionate and focused approach
7. Cognisance of the importance of changing behaviour as much as formal rules and structures

CHALLENGES

- Lack of engagement with parliament as a partner throughout the budget process
- Lack of parliamentary input to medium-term fiscal planning
- Lack of ex ante parliamentary debate on budget priorities
- Lack of adequate "no policy change" pre-budget information
- Limitations in legislative scrutiny of Budget Bills
- Lack of detailed Estimates and performance information at the time of the Budget
- Lack of timeliness in the Estimates discussion
- Lack of specialist analytical support for parliamentarians to engage in Budget
- Delay in the presentation and debate of audited Appropriation Accounts

NEXT STEPS

Procedural changes
- Parliamentary engagement on medium-term fiscal planning
- New Estimates Committee and pre-budget hearings
- Vote on the Estimates before the new spending year gets under way
- Use the freed-up time for specific performance hearings in early year

Enhanced information
- Enhanced pre-budget information to underpin whole-of-year approach
- Earlier publication of budget legislation and detailed spending plans

Institutional supports
- Establish an Irish Parliamentary Budget Office to support parliamentary engagement and budget scrutiny
- Continuing Professional Development of parliamentarians and officials
Over the past decade, Ireland’s system of public administration has come to terms with acute challenges arising from the global economic and financial crisis, and the country is now set for a return to vibrant growth. In response to the crisis, Ireland has been distinguished by a commitment to broad-based public-sector reform. An important strand of the national reform effort has been the activation of the national parliament, in particular the budget process.

The OECD Review examines the reform effort to date and highlights practical ways in which the parliament could further enhance its engagement in the budget process. The main recommendations of the Review fit into three thematic areas:

- Procedural changes
- Enhanced information
- Institutional supports

Budget oversight by the Irish parliamentary chambers is under-developed by international standards. Many stakeholders and participants question whether the process is meaningful or impactful. In the Review, the OECD presents the challenges of Ireland’s system of parliamentary engagement in budgeting, and outlines a number of proposals for continued reform for consideration by the Houses of the Oireachtas and other actors in the political system.

**WHAT ARE PARLIAMENTARY BUDGET REVIEWS?**

OECD Parliamentary Budget Reviews provide legislatures with a detailed assessment of parliamentary engagement in the national budget process and its ability to deliver effective oversight. The reviews offer comprehensive consideration of the existing arrangements in light of international best practice, a diagnosis of issues at hand and a set of interconnected and mutually supporting recommendations. The aim is to strengthen the parliament’s potential to engage in the budget process in a meaningful and impactful way.

**WHY A REVIEW OF BUDGET OVERSIGHT BY PARLIAMENT IN IRELAND?**

Over the past decade, Ireland’s system of public administration has come to terms with acute challenges arising from the global economic and financial crisis, and the country is now set for a return to vibrant growth. In response to the crisis, Ireland has been distinguished by a commitment to broad-based public-sector reform. An important strand of the national reform effort has been the activation of the national parliament, in particular the budget process.

The OECD Review examines the reform effort to date and highlights practical ways in which the parliament could further enhance its engagement in the budget process. The main recommendations of the Review fit into three thematic areas:

- Procedural changes
- Enhanced information
- Institutional supports

**PRINCIPLES GUIDING PARLIAMENTARY REFORM**

OECD practice is for a principles-grounded approach to our Parliamentary Budget Reviews. The key principles are:

1. Respect for established national traditions
2. Focus upon issues identified by stakeholders
3. Consistency with the ongoing trajectory of national reform
4. Promotion of an active, engaged, effective parliament
5. Respect for constitutional constraints and prerogatives of the executive
6. Balanced, proportionate and focused approach
7. Cognisance of the importance of changing behaviour as much as formal rules and structures

**HIGHLIGHTS**

©iStock.com / Leonid Andronov
OECD PARLIAMENTARY BUDGET REVIEW – IRELAND HIGHLIGHTS

SUGGESTED ENGAGEMENT POINTS FOR THE DÁIL IN THE BUDGET PROCESS

TIMING
- Ex-ante
- Budget year
- Ex-post

STAGE
- Drafting
- Approval
- Execution
- Audit

POTENTIAL ENGAGEMENT POINTS FOR THE DÁIL

- Suggest via & formulate recommendations for government in relation to:
  1. The medium-term fiscal plan presented in the draft SPU
  2. The budget priorities presented in the Pre-Budget Estimates (align process with OECD)

- Formally approve:
  1. The medium-term fiscal plan before it goes to the EC
  2. The Finance Bill and the Social Welfare Bill before start of the fiscal year
  3. The Estimates before start of the fiscal year

- In-year monitoring on issues of performance and impact:
  - In-year approval of Supplementary Estimates

- Suggest an audit and evaluation information on an on-going basis.

UNDERPINNED BY
- Improved partnership between government and parliament
- A Parliamentary Budget Office to provide specialist analytical support
- Continuing Professional Development of parliamentarians and officials

REPORT AUTHORS

Ronnie Downes is Deputy Head of the Budgeting & Public Expenditures Division, where he has been responsible for the introduction of OECD Principles of Budgetary Governance and the conduct of country-specific reviews and OECD-wide analysis in the area of fiscal management. His current research areas include successful fiscal consolidation strategies across the OECD, strategies for promoting inclusive growth, and how performance and budget systems can support effective public governance more broadly. He is an Irish national with a background in the Department of Finance and the Department of Public Expenditure and Reform in Dublin. He holds a Masters degree in Economics and Policy Studies from Trinity College Dublin, as well as diplomas in Legal Studies and Accounting.

Scherie Nicol contributes to the Budgeting and Public Expenditures Division’s workstreams on the role of parliaments and independent fiscal institutions in the budget process. She also provides support to the OECD network of Parliamentary Budget Officials and Independent Fiscal Institutions. She has a Masters degree in Applied Economics from the University of Strathclyde and started her career as an economist for the economic development agency for the Highlands and Islands of Scotland. She moved to the Scottish Parliament in 2008, providing research support to the elected members in areas relating to public finance and the economy. In this role she has helped set up the Financial Scrutiny Unit and worked on the devolution of increased fiscal powers to Scotland.
SUGGESTED ENGAGEMENT POINTS FOR THE DÁIL IN THE BUDGET PROCESS

TIMING
- Ex-ante
- Budget year
- Ex-post

STAGE
- Drafting
- Approval
- Execution
- Audit

POTENTIAL ENGAGEMENT POINTS FOR THE DÁIL

- Review and formulate recommendations for government in relation to:
  1. The medium-term fiscal plan presented in the draft SFU
  2. The draft budget presented in the Pre-Budget Estimates (align process w/ECB)

- Formally approve:
  1. The medium-term fiscal plan before it goes to the EcO
  2. The Finance Bill and the Social Welfare Bill before start of the fiscal year
  3. The Estimates before start of the fiscal year

- In-year monitoring on issues of performance and impact:
  - In-year approval of Supplementary Estimates

- Suggest an audit and evaluation information on an on-going basis.

UNDERPINNED BY

- Improved partnership between government and parliament
- A Parliamentary Budget Office to provide specialist analytical support
- Continuing professional development of parliamentarians and officials

REPORT AUTHORS

Ronnie Downes is Deputy Head of the Budgeting & Public Expenditures Division, where he has been responsible for the introduction of OECD Principles of Budgetary Governance and the conduct of country-specific reviews and OECD-wide analysis in the area of fiscal management. His current research areas include successful fiscal consolidation strategies across the OECD, strategies for promoting inclusive growth, and how performance and budget systems can support effective public governance more broadly. He is an Irish national with a background in the Department of Finance and the Department of Public Expenditure and Reform in Dublin. He holds a Masters degree in Economics and Policy Studies from Trinity College Dublin, as well as diplomas in Legal Studies and Accounting.

Scherie Nicol contributes to the Budgeting and Public Expenditures Division's workstreams on the role of parliaments and independent fiscal institutions in the budget process. She also provides support to the OECD network of Parliamentary Budget Officials and Independent Fiscal Institutions. She has a Masters degree in Applied Economics from the University of Strathclyde and started her career as an economist for the economic development agency for the Highlands and Islands of Scotland. She moved to the Scottish Parliament in 2008, providing research support to the elected members in areas relating to public finance and the economy. In this role she has helped set up the Financial Scrutiny Unit and worked on the devolution of increased fiscal powers to Scotland.
Parliamentary Budget Review
Ireland
HIGHLIGHTS
2015

©iStock.com / espiegle

For further information:
OECDgov
www.oecd.org/gov

Contact: Lisa.vonTrapp@oecd.org or Ronnie.Downes@oecd.org

©iStock.com / espiegle