

BUDGETARY INSTITUTIONS: WHAT'S CHANGING?

The Programme for Partnership Government set out a number of reforms to the budgetary process, with the aim of providing greater scope for engagement in the process, and more substantive evaluation of public expenditure, with a greater focus on outcomes and accountability. From the perspective of advancing equality and realising rights, a key commitment is to **budget and policy proofing**. In addition a number of other reforms will also have relevance to the development of the proofing process. These broadly relate to institutional reform to support improved effectiveness and transparency; improving the availability of budgetary information and strengthening the processes around programme evaluation

The context for these reforms is framed by the OECD's (2015) Review of Budget Oversight by Parliament: Ireland.

Budget and Policy Proofing

- The Programme states that government will "develop the process of budget and policy proofing as a means of advancing equality, reducing poverty and strengthening economic and social rights"
- Government will "ensure the institutional arrangements are in place to support equality and gender proofing" both in the new Independent Oireachtas Budget Office, as well as in key Government Departments.
- In developing proofing, it will "draw on the expertise of the Irish Human Rights and Equality Commission (IHREC)"
- Acknowledging that these arrangements won't be in place in time for Budget 2017, the Select Committee on Budget Oversight "will be tasked with looking at gender and equality proofing budget submissions and proposals with independent expertise (including the IHREC) to assist where necessary"

Institutional Reform

- Establish a "fully resourced" independent Oireachtas Budget Office, enabling TDs to propose "substantive changes"
- Establish a new Select Committee on Budget Oversight; the Committee published a report in advance of Budget 2017

Budget Information

- Pre-budget: make more detailed budgetary information available earlier in the cycle
- Revised estimates: broaden and deepen the range and nature of published information

Programme Evaluation

- Strengthen the Expenditure Review process, step up the use of impact assessments.
- Although proofing is not specifically referenced, this is an area that might be considered as proofing develops.



Select Committee on Arrangements for Budget Scrutiny

- Established after election to consider the arrangements needed to support increased Oireachtas engagement in the budget process, to allow it exercise greater influence, and to increase the accountability of the process. It was also required to have regard to the proposals made by the OECD
- Concluded its work and reported at the end of June, making a wide range of recommendations; those most relevant to the budget and policy proofing process include:
 - A Committee on Budgetary Oversight should receive early briefings from the Departments of Finance and of Public Expenditure & Reform on government progress on developing and implementing budget proofing
 - Ministers should engage with relevant Committees in early Autumn on progress made on proofing policies under development
 - Oireachtas Budget Office should liaise closely with the IHREC to exchange information and learning in the areas of equality and human rights

Select Committee on Budgetary Oversight

- Established with the overall aim of enhancing the Oireachtas role in the budget process
- To review the macro-economic and fiscal issues that frame budget considerations, including the need for sustainable public finances, application of national and EU fiscal rules, as well as demographic and other pressures on expenditure
- Report to Dáil at end September on its review of Budget 2017
- Particular role for Budget 2017: as the reforms to budget institutions are ongoing, the Committee is asked to look at gender and equality proofing budget submissions and proposals - with assistance of independent expertise, including that of the IHREC, as necessary

Oireachtas Budget Office

- The OECD (2015) Review of Budget Oversight: Ireland recommended that a new Irish Parliamentary Budget Office be established "to support parliamentary engagement and budget scrutiny"
- In the short term, OECD envisaged that this Office would be staffed by a small number of appropriately skilled staff seconded from the Oireachtas. In the longer term, the Office would be established as a specialised stand alone unit in the Oireachtas, staffed by at least 5-7 budget specialists
- The Programme for Government sees this Oireachtas Budget Office (OBO) - available to all Oireachtas members - as having a central role in the reform of the budget process
- The technical expertise to support budget proofing is to be located in the OBO, as well as in key line Departments
- Expected to be established in early 2017