

FISCAL TRANSPARENCY

Following on from the IMF's Fiscal Affairs Department's (2013) *Ireland: Fiscal Transparency Assessment*, Ireland is progressing a range of actions based around the 10 recommendations set out in the Assessment.

Key points of progress are:

- Earlier publication of the Annual Budget and Estimates
 - The Annual Budget is now published in October and the Revised Estimates are published in December
 - These much earlier publication dates mean that the Oireachtas and its Select Committees can consider the allocations prior to when the money is spent
 - NOTE: REV now includes tables setting out Exchequer pay and pensions on an accruals basis (in addition to cash based financial reporting) – provides a clearer basis for comparison between years
 - The IMF noted that accelerating the production, presentation and approval of the annual budget and accounts would better inform the preparation of the annual budget and its consideration by parliament.
- Monthly publication of fiscal data setting out revenues and expenditures of all subsectors of general government
 - Estimates of revenue and expenditure of all sectors of general government are published on a monthly basis
 - This methodology:
 - extends beyond the traditional cash based approach of the Exchequer statement (now on a gross rather than net basis) and
 - provides further details in terms of the composition of revenue and expenditure and the coverage of general government sectors (includes data on extra-budgetary funds, non-commercial semi-state bodies and local government).
 - The IMF noted that:
 - expanding the institutional coverage would provide a clearer understanding of the relationship between gross Exchequer expenditure and gross general government expenditure and
 - the lack of monthly data for general government creates problems monitoring compliance with EU fiscal rules
- Updated estimate for the pensions liability
 - In 2012 updates were made of both:
 - the accrued liability of the pension promise to serving and former employees (estimate is €98bn as at December 2012) and
 - the liability for State pensions.

From 2017, under EU law, Ireland will be required to give an estimate of its total accrued pension liabilities, based on a standard set of assumptions, for publication in its national accounts.

- Doing so provides the Government with a broader and more informed understanding of the liabilities of the Irish State and of the implications for the public finances of transactions and other changes in the State's assets and liabilities
- The IMF noted that:
 - Ireland's public sector's holdings of assets and liabilities are large and have expanded considerably since the 2008 crisis
 - recognising a wider range of assets and liabilities in balance sheets would provide a broader view of the Irish public sector and provide a greater understanding of the implications for the public finances of transactions and other changes in the State's assets and liabilities
- Enhanced financial reporting of PPPs
 - Beginning in 2013, publishing a table outlining details of all Central Government PPP projects currently in operation
 - Key information on PPPs is now publically available including:
 - value of unitary payments paid thus far
 - an estimate of future liabilities
 - project classification
 - date the project become operational
 - year the final unitary payment will be made
 - On the PPP website, the Department of Public Expenditure & Reform publishes PPP information including payments to date and projected future payments on a project by project basis
 - It should also be noted that the CSO, in April and October, publish financial data and national accounts information on PPPs. The information gives the total capital cost off all PPP projects in operation.
 - In addition, the Dept. of Finance statistics unit prepares a publication on contingent liabilities which includes information on PPPs.
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 - provide a greater understanding of the implications for the public finances of transactions and other changes in the State's assets and liabilities

Actions in 2015

- A working group comprised of 20+ members from in-scope PSBs has completed its work on the harmonised Chart of Accounts and delivered a report setting out the proposed design. This proposal has been independently reviewed by subject matter experts and will form the basis of the implementation model to be reviewed and rolled out by the system implementer as part of the FMSSC shared services implementation.
- In line with the Programme for Government commitment, DPER is examining the move to accrual accounting for Government Departments and Offices, taking account of
 - wider reform agenda in particular the Financial Management Shared Services (FMSS);
 - recommendations from the IMF Fiscal Transparency Report; and
 - developments at EU level concerning the future implementation of harmonised accounting standards.
- The move to accrual accounting for Government Departments and Offices will be progressed in context of developments on FMSS project and in line with developments at EU level concerning future implementation of harmonised accounting standards.
- At EU level Eurostat is continuing to work on developing more concrete proposals on European Public Sector Accounting Standards (EPSAS). A Eurostat Taskforce Working Group was established in September 2015 to identify key issues for EPSAS governance and standards, and to discuss how to develop and introduce suitable EPSAS structures and requirements across EU Member States.