



**Irish Fiscal  
Advisory Council**

Annual Report  
and Accounts  
for the year ended  
31st December **2023**

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## Chairperson's Statement

This is the Irish Fiscal Advisory Council's eleventh annual report as a statutory body. The Council's role is to independently assess, and comment publicly on, whether the Government is meeting its own stated budgetary targets and objectives. It is required to assess and endorse, as it considers appropriate, the official macroeconomic forecasts underpinning each Budget and Stability Programme Update. The Council also assesses the fiscal forecasts and the fiscal stance, and monitors compliance with legislated fiscal rules.

Since its establishment, the Council has sought to ensure that it fulfils its mandate as effectively as possible. In 2023, the Council continued to develop its analytical capacity so that the conclusions and recommendations included in its Fiscal Assessment Reports are well-founded. It has endeavoured to present its analytical work in a way that informs debate and discussion around fiscal policy issues. During the year, the Council has also engaged in public debate through, for example its four appearances before the Oireachtas Select Committee on Budgetary Oversight and its one appearance before the Oireachtas Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach. In addition, Council members and the Secretariat have presented at multiple conferences and events. In March 2023, the Council's seventh annual "Path for the Public Finances" conference took place at the Royal Irish Academy focusing on the theme of Saving for our Future. The conference theme was saving today's revenues for use by current and future generations. This included looking at financing rising pensions costs and managing large "excess corporation tax receipts" in a way that is economically, fiscally, and socially sustainable. The conference looked at Norway's experience establishing its Sovereign Wealth Fund, Canada's approach to managing an ageing population, and new research from the Council on how Ireland could better prepare for the future. The conference speakers included former Governor of the Central Bank of Norway, CEO of the Institute of Fiscal Studies and Democracy at the University of Ottawa, Chair of Ireland's National Competitiveness and Productivity Council, Research Area Coordinator for the Tax, Welfare and Pensions team at the ESRI and the Director of the Ireland Strategic

Investment Fund. The Council also participated in the Network of European Union Independent Fiscal Institutions and attended EU Commission meetings.

During 2023, along with its Audit and Risk Committee, the Council continued to adopt, review, and implement policies and procedures in line with the Code of Practice for the Governance of State Bodies, building on the work carried out since the Council's establishment. For example, the Council approved new or revised policies on Banking, Confidential Disclosures, Fixed Asset Procedures, Income Learning and Development Strategy, Payment Procedures, Procurement, Travel and the Audit and Risk Committee Charter and Terms of Reference. The Council's internal auditors carried out two audits in 2023: A Human Resources audit and a joint audit of the review of the System of Internal Control and a review of Internal Financial Controls & Internal Control. I can confirm that the appropriate requirements of the Department of Public Expenditure, NDP delivery and Reform Public Spending Code are being complied with.

The Council's primary outputs are its bi-annual Fiscal Assessment Reports which were published in June and December 2023, after the annual Budget and Stability Programme. These reports continue to attract considerable attention. This has helped to ensure that the views of the Council feature in debates on fiscal issues. A detailed response was provided by the Minister for Finance following the publication of both Fiscal Assessment Reports. In September 2023, the Council published its tenth Pre-Budget Statement, for Budget 2024. The Council published several working papers during the year including "Estimating Ireland's Probability of a Recession", "Saving for Ireland's Future: Building a Sustainable Framework to Fund the State Pension", "Understanding Ireland's Top Corporation Taxpayers", "Demystifying Ireland's national income: A bottom-up analysis of GNI\* and productivity" and "Estimating spending multipliers in Ireland using the narrative approach". The Council also published two Analytical Notes: "Ireland's modified domestic demand: what it tells us and where we should be cautious" and "Ireland's spending rule and the third wave of the EU's fiscal rules".

2023 saw the publication of a paper “What climate change means for Ireland’s public finances”, the first as part of a new series of research outputs that supports the Council’s assessments of the long-term sustainability of the public finances. The series is specifically intended to provide analysis and research that feeds into the Council’s Long-term Sustainability Reports.

In June 2023 Sebastian Barnes stepped down as Chairperson and Member of the Council. The Council acknowledges the invaluable leadership, insight and commitment that Sebastian brought to the Council since the Fiscal Council was first established. Sebastian served as a Council Member since 2011, as Acting Chairperson since January 2020, and as Chairperson since July 2020. In the Department of Finance’s Press Release, the Minister for Finance, Michael McGrath, also expressed his appreciation to Mr. Barnes, who has been central in enhancing the public debate and scrutiny that takes place around complex fiscal and economic issues in Ireland. We all wish him every success in his future endeavours.

Prof Michael McMahon,  
Acting Chairperson

# Introduction

## Background

The Irish Fiscal Advisory Council (“the Council”) was established on an interim basis in July 2011 and on a statutory basis in December 2012 by the Fiscal Responsibility Act 2012. The Council is comprised of a five-member Council and a six-member, full-time Secretariat, headed by a Chief Economist/Head of Secretariat. The Council’s mandate is to provide independent assessments of official macroeconomic and budgetary forecasts, assessments of compliance with the statutory Budgetary Rule, assessments of the overall stance of fiscal policy, and endorsements (as appropriate) of the official macroeconomic forecasts prepared by the Department of Finance.<sup>1</sup>

While the establishment of a fiscal council was a requirement of the EU/IMF Programme of Financial Support for Ireland (December 2010), it had been proposed domestically in the National Recovery Plan 2011–2014 and by the Joint Committee on Finance and the Public Service in November 2010.<sup>23</sup> The Programme for Government of the new Government, which took office in March 2011, committed to the establishment of a Fiscal Advisory Council. The policy changes in Ireland were also part of more general moves at a European level to strengthen fiscal governance through reforms to the Stability and Growth Pact and the Treaty on Stability, Coordination and Governance.

The Fiscal Responsibility Act 2012 (December) put the Council on a statutory footing.<sup>4</sup> The Act provides for an annual financial

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<sup>1</sup> The endorsement function was assigned to the Council in mid-2013 following an amendment to the Fiscal Responsibility Act 2012. See:

<http://www.irishstatutebook.ie/pdf/2013/en.act.2013.0029.pdf>.

<sup>2</sup> The Joint Oireachtas Committee report is available at:

<http://www.oireachtas.ie/documents/committees30thdail/jfinancepublicservice/reports/20101111.pdf>.

<sup>3</sup> The initial Department of Finance proposal was set out in detail in the discussion document *Reforming Ireland’s Budgetary Framework: A Discussion Document*, March 2011 available at: <http://www.finance.gov.ie/sites/default/files/budgetref.pdf>.

<sup>4</sup> Prior to the publication of the Act, the Council published a report *Strengthening Ireland’s Fiscal Institutions* (January 2012), outlining its views on the design of a new fiscal framework for Ireland that encompassed both fiscal rules and a permanent independent fiscal council.

ceiling for the Council initially set at €800,000.<sup>5</sup> Within this ceiling, the amount incurred by the Council in performing its functions is met from the Central Fund.

## Mandate

The Council has four legally mandated functions. The first three were assigned in the *Fiscal Responsibility Act 2012*.<sup>6</sup> The fourth function (endorsement) was assigned to the Council in July 2013.<sup>7</sup>

1. **To assess the official forecasts** produced by the Department of Finance and published in the Stability Programme and in the Budget.
2. **To assess the fiscal stance** of Government, and specifically whether it is conducive to prudent economic and budgetary management, with reference to the EU Stability and Growth Pact.
3. **To monitor and assess compliance with the Budgetary Rule**.<sup>8</sup>
4. **To endorse the official macroeconomic forecasts** prepared by the Department of Finance in relation to each Budget and Stability Programme. This follows revised European requirements to have national medium-term fiscal plans and draft budgets based on independent macroeconomic forecasts, which means macroeconomic forecasts produced or endorsed by an independent body. A joint Memorandum of Understanding between the Council and the Department of Finance underpins the endorsement process.<sup>9</sup>

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<sup>5</sup>This is subject to adjustment in line with inflation in the Harmonised Index of Consumer Prices published by the Central Statistics Office.

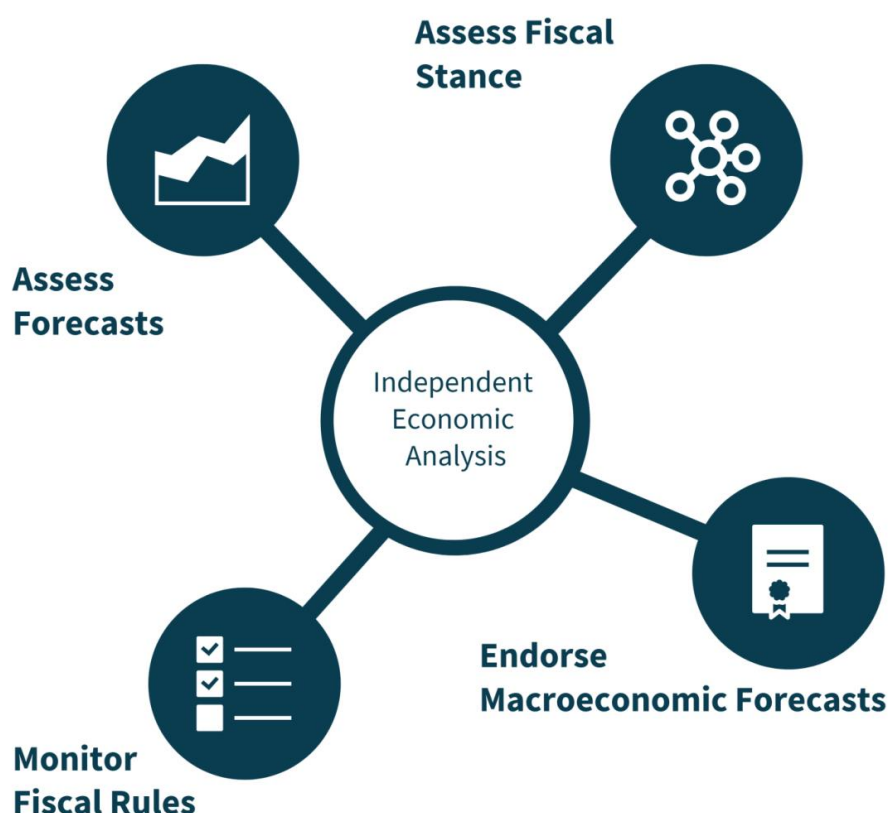
<sup>6</sup><http://www.irishstatutebook.ie/eli/2012/act/39/enacted/en/print.html>

<sup>7</sup> See Ministers and Secretaries (Amendment) Act 2013:  
<http://www.irishstatutebook.ie/pdf/2013/en.act.2013.0029.pdf>

<sup>8</sup> The Budgetary Rule requires that the budgetary position of the general government is in balance or in surplus, or is moving at a satisfactory pace towards that position. The Council must also assess whether any non-compliance is a result of 'exceptional circumstances'. This could mean a severe economic downturn and/or an unusual event outside the control of Government which may have a major impact on the budgetary position.

<sup>9</sup> The Council's *Fiscal Assessment Report* (November 2013) detailed the process in the run up to *Budget 2014*. The process is outlined in the Memorandum of Understanding, annually reviewed and revised where necessary, between the Fiscal Council and Department of Finance and can be accessed here: <https://www.fiscalcouncil.ie/fiscal-responsibility-act/>

Figure 1: Mandate of the Council



The Council produces biannual Fiscal Assessment Reports, as well as an annual Pre-Budget Statement. Reports are submitted to the Minister for Finance and subsequently published within ten days. The Council's Annual Reports are laid before each House of the Oireachtas. The Council chairperson may also be required to appear before the Oireachtas in relation to its activities.

In relation to the endorsement function, the Council is required to provide a formal letter to the Secretary General of the Department of Finance at least five working days before the Department publishes the Budget and Stability Programme.<sup>10</sup> If the Council were to conclude that it had significant reservations about the preliminary or "provisional final" macroeconomic forecasts, it would immediately communicate these informally to the Department. If, following further discussions, the Council were still not in a position to endorse

<sup>10</sup> The process of this function is outlined in the Memorandum of Understanding between the Fiscal Council and Department of Finance and can be accessed here: <https://www.fiscalcouncil.ie/fiscal-responsibility-act/>



the macroeconomic forecasts underlying the Budget or Stability Programme Update (SPU), the Chair would write to the Secretary General explaining why this was the case, at least five working days before the Department publishes the Budget or SPU.

To support the delivery of its mandate, the Council also produces reports for specific purposes, including Analytical Notes, Working Papers and other analytical work on the Irish economy, macroeconomic forecasting, and fiscal policy, in addition to an annual *Ex-Post* Assessment of Compliance with the Domestic Budgetary Rule.

## Membership of the Council and the Secretariat

The Minister for Finance appointed the Council's five members based on their experience and competence in domestic and international macroeconomic and fiscal matters. In 2023, the Council had a strong international dimension with four members based outside of Ireland.

### Council members 31 December 2023

- **Prof Michael McMahon:** Professor of Macroeconomics at the University of Oxford and Senior Research Fellow of St Hugh's College. His initial term of appointment to the Irish Fiscal Advisory Council was 4 years effective 18 April 2019. He was reappointed for a second 4 year term effective 18 April 2023. The Council appointed Prof McMahon as Vice-Chairperson of the Fiscal Council on 14 December 2020. In July 2023, the Minister for Finance appointed Michael as Acting Chairperson to the Fiscal Council.
- **Dr Adele Bergin:** Associate Research Professor at the Economic and Social Research Institute, where she is a joint research area coordinator for macroeconomics. She is an adjunct Professor at the Department of Economics in Trinity College Dublin and a Research Fellow with the Institute for the Study of Labor (IZA) in Bonn, Germany. Her term of appointment to the Irish Fiscal Advisory Council is four years effective 1 January 2021.
- **Mr Alessandro Giustiniani:** former staff member of the International Monetary Fund (IMF) where he was most recently the lead country desk economist for Ireland responsible for developing the macroeconomic framework and the analysis of the sustainability of public debt. His term of appointment to the Irish Fiscal Advisory Council is four years effective 1 January 2021.
- **Ms Dawn Holland:** Visiting Fellow, National Institute of Economic and Social Research. Her term of appointment to the Irish Fiscal Advisory Council is four years effective 1 January 2020 and her term will cease on 31 December 2023.

- There has been one vacancy on the Council since 1 July 2023.

### Gender balance in the Council Membership

Council Member appointments and terms are defined in the Fiscal Responsibility Act 2012. The members are appointed by the Minister for Finance. Appointments comply with the Public Appointments Service (PAS) process set out in the Guidelines on Appointments to State Boards.

As at 31 December 2023, the Council has two (40%) male, two (40%) female members and one (20%) vacancy. The Council membership meets the Government target of a minimum of 40% representation of each gender in the Membership of State Boards as at 31 December 2023.

### Secretariat

The Secretariat's full complement of staff is a Chief Economist/Head of Secretariat, two Economists, two Research Assistants, and an Administrator.

## Strategic Goals

### Central Goal: Deliver on all Elements of our Mandate

#### Assessment of Fiscal Stance, Official Forecasts, and Compliance with Budgetary Rule

- The Council published two Fiscal Assessment Reports, as well as a Pre-Budget Statement, in 2023:
  - The "Fiscal Assessment Report, June 2023" published on 7 June 2023 (within eight weeks of the Stability Programme Update) assessed the macroeconomic and budgetary forecasts that the Government set out in the 2023 "Stability Programme Update". It also assessed compliance with legislated fiscal rules and the appropriateness of the broader fiscal stance.
  - The "Fiscal Assessment Report, December 2023" published on 7 December 2023 assessed the fiscal stance that the Government set out in Budget 2024. It also assessed the macroeconomic and fiscal forecasts, and monitors compliance with legislated fiscal rules.
  - The "Pre-Budget 2024 Statement" published on 6 September 2023 reviewed the fiscal stance in advance of Budget 2024. The Council's assessment focused the appropriateness of the fiscal stance in terms of the principles of sound economic and budgetary management, and an assessment of whether the Government's fiscal plans are in line with the requirements of the budgetary framework.
- The Council systematically reported on official forecasts as part of its reports.
- The Council continued to develop its analytical approach to assessing the fiscal stance and compliance with the Domestic Budgetary Rule. In June 2023, the Council published its "Ex-Post Assessment of Compliance with the Domestic Budgetary Rule in 2022".

- After publishing each of its Fiscal Assessment Reports, the Council reviewed the report and documented changes/improvements for future reports.

## Council's assessment of actions required by other public bodies to support prudent economic and budgetary management

Council's Recommendation	Report	Page
<b>Recommendation:</b> The Council recommended that the Government should stick to its National Spending Rule. If spending is to be increased by more than 5% annually, sustainable revenue raising measures should be introduced.	Fiscal Assessment Report, June 2023	6
	Pre Budget 2024 Statement	2
<b>Recommendation:</b> Medium-term forecasting should always be undertaken out to at least five years ahead. Fiscal forecasts in SPU 2023 were only out to 2026 (T+3).	Fiscal Assessment Report, June 2023	6
<b>Recommendation:</b> The Council recommended that the National Spending Rule should be strengthened. This included recommending that it be placed on a legislative basis, having a debt anchor, and widening it to capture general government spending.	Fiscal Assessment Report, June & December 2023	6, 81
	Pre-Budget 2024 Statement	3
<b>Recommendation:</b> Major policy commitments (such as Climate related costs and Sláintecare) need to be properly costed and factored into the Government's plans.	Fiscal Assessment Report, June & December 2023	48, 76
<b>Recommendation:</b> No further non-core spending measures should be introduced in Budget 2024	Pre-Budget 2024 Statement	2
<b>Recommendation:</b> The Government should stop using fiscal gimmickry to make budgetary figures look better than they actually are.	Fiscal Assessment Report, December 2023	6
<b>Recommendation:</b> Overruns which are apparent before Budget Day should be incorporated into spending forecasts for the current year and following years (where the spending is expected to recur).	Pre-Budget Statement	33
<b>Recommendation:</b> White Paper estimates of spending—which feed into budget forecasts should be prepared on a departmental level, rather than as aggregate top-down forecasts	Fiscal Assessment Report, December 2024	33
<b>Recommendation:</b> The department spending ceilings should be published on time. These have not been published in the past four years as part of Budget-Day documentation. Instead, the ceilings have been relegated in terms of their importance and are being published very late in the year (usually late December) — well beyond the October requirement.	Fiscal Assessment Report, December 2024	91

## Actions in response to previous assessments (from 2022 Annual Report)

Previous Recommendation	Outcome
<p><b>National Spending Rule:</b> The National Spending Rule should be broadened to capture general government spending, have a link to debt targets, and recognise the impact of tax measures.</p>	<p>The spending rule is now widely recognised as being a net rule, which takes account of tax measures. No progress has been made in other areas.</p>
<p><b>Corporation Tax:</b> The impact of excess corporation tax receipts on the budget balance should be clearly shown. This approach of excluding excess corporation tax receipts from measures of the budget balance should be extended to monthly Exchequer balance estimates.</p>	<p>The government balance excluding excess corporation tax is now shown in SPU and Budget documentation. Monthly exchequer data does not include this presentation.</p>
<p><b>Medium-term forecasting:</b> Medium-term forecasting should always be undertaken out to at least five years ahead.</p>	<p>Fiscal forecasts in Budget 2024 and SPU 2024 were only 3 years ahead. Macroeconomic forecasts have been six or seven years ahead in recent rounds.</p> <p>Some improvements have been made.</p>
<p><b>Official macroeconomic and fiscal forecasts:</b> The official macroeconomic and fiscal forecasts should be consistent. Example: fiscal forecasts typically do not assume social benefits (pension payments and unemployment benefits) are uprated as this requires a formal budgetary decision, even if history suggests this is likely. But for the Department's forecasts of consumer spending and household savings to be realistic, some recognition of these likely changes are needed. Moreover, for consistency, the results of the Existing Levels of Service (ELS) approach should be incorporated into the broader macro forecasts over the medium-term</p>	<p>No progress has been made.</p>
<p><b>Major policy commitments:</b> Major policy commitments (such as Climate related costs and Sláintecare) need to be properly costed and factored into the Government's plans.</p>	<p>The Future Ireland Fund has been established, which should help address these concerns. In addition, the Infrastructure, Climate and Nature Fund has been established. .</p> <p>No progress has been made.</p>
<p><b>National Pension Reserve Fund:</b> A new National Pension Reserve Fund should be used to save excess corporation tax receipts, gradually reducing the State's over-reliance on these risky revenues.</p>	<p>No progress has been made.</p>
<p><b>The White Paper:</b> The White Paper, part of Budgetary documentation, should be improved. A full breakdown of the expected nopolicy change expenditure and revenue on a general government basis should be provided. Figures in the White Paper should also be presented on a "Gross" Exchequer basis rather than on a net basis, which tends to mask underlying developments when there are offsetting transactions. Figures for expected spending by Department should be included. The White Paper should also cover a five-year forecast horizon.</p>	<p>No progress has been made.</p>
<p><b>Spending ceilings:</b> The department spending ceilings should be published on time. These have not been published in the past three years as part of Budget-Day documentation. Instead, the ceilings have been relegated in terms of their importance and are being published very late in the year (usually late December) — well beyond the October requirement. The Government's failure to publish these ceilings on Budget Day, and their lack of integration into the budgetary framework more generally, represents a backwards step in transparency and a weakness in the overall fiscal framework</p>	<p>No progress has been made.</p>
<p><b>Transparency around Contingencies:</b> The Department should be more transparent in terms of how contingencies are baked into monthly spending profiles set out for the year. The Department's use of contingencies as a means of responding to uncertain costs has worked broadly well in recent years. However, separating these contingencies from other spending within departments would allow better scrutiny of how spending is evolving month to month</p>	<p>No progress has been made.</p>

## Endorsement of Macroeconomic Forecasts

- The Council finalised the benchmark projections that the Secretariat prepared as an input in their endorsement considerations.
- Each Fiscal Assessment Report documented the Council's approach to the corresponding endorsement exercise, including relevant meetings, data, and decisions.
- On 6 April 2023—more than five working days before the Stability Programme Update—the Council endorsed as within the range of appropriate forecasts the set of medium-term macroeconomic projections prepared by the Department of Finance on which Stability Programme Update 2023 (SPU 2023) would be based. On 28 September 2023—more than five working days before the Budget—the Council endorsed as within the range of appropriate forecasts the set of macroeconomic projections prepared by the Department of Finance for Budget 2024 for the years 2023 and 2024.
- The Council continued to develop and refine its short-term and medium-term forecasting models. On 28 February 2023 the Council published a working paper "Estimating Ireland's Probability of a Recession" looking at ways that future recessions in Ireland could be predicted based on assessments of historical indicators and models. On 30 March 2023 the Council published a working paper "Saving for Ireland's Future: Building a Sustainable Framework to Fund the State Pension" which puts forward an alternative approach to funding Ireland's State Pension. On 24 May 2023 the Council published an Analytical Note "Ireland's modified domestic demand: what it tells us and where we should be cautious" which has become a key indicator of focus for understanding what is happening to Ireland's domestic economy. On 1 June 2023 the Council published a working paper "Understanding Ireland's Top Corporation Taxpayers" which seeks to better understand the concentration of Ireland's corporation tax receipts among a handful of large, foreign-owned multinationals. On 7 June 2023 the Council published an Analytical Note "Ireland's spending rule and the third wave of the EU's fiscal rules" exploring National and EU spending rules which are taking on greater importance as a means of safeguarding economic



sustainability. On 27 June 2023 the Council published a working paper “Demystifying Ireland's national income: A bottom-up analysis of GNI\* and productivity” which looks to develop a clearer picture of what makes up modified gross national income (GNI\*) — a measure that is now widely accepted as a relevant measure of the size of Ireland's economy. On 8 August 2023 the Council published a working paper “Estimating spending multipliers in Ireland using the narrative approach” which looks at Ireland's fiscal multipliers using a new dataset on government spending shocks from 1987 to 2019. The paper tries to remove the effect of policy changes being anticipated and the effects of the business cycle using the so-called “narrative approach”. On 4 October 2023 the Council published a paper “What climate change means for Ireland's public finances”. This paper is part of a new series of research outputs that supports the Council's assessments of the long-term sustainability of the public finances. The series is specifically intended to provide analysis and research that feeds into the Council's Long-term Sustainability Reports.

- The Council continued to review on an annual basis the “Memorandum of Understanding between the Irish Fiscal Advisory Council and the Department of Finance relating to the ‘Endorsement Function’ of the Council under the Fiscal Responsibility Acts 2012 and 2013”. Any revisions are signed by the Secretary General of the Department of Finance and the Chairperson of the Council.

## Supporting Goal 1: Ensure Compliance with all Requirements for a Statutory Body

### Publication of Annual Report and a set of financial accounts

- In September 2023, the Council published its Annual Report and Accounts for the year ended 31 December 2022 This was within one month of the Comptroller and Auditor General completing its audit of the Council's financial statements, but not within six months of the end of the financial year.
- In 2023, the Council continued to implement any audit recommendations.

- The Council continued to review ongoing requirements for statutory bodies and updated its procedures as required.

### Independence and transparency

- The Council published dates of Council meetings.
- The Council published all formal interactions with Government in 2023.
- The Council responded to all queries (including Parliamentary Questions) in relation to Council activities.
- The Council made sure that the website remained up to date and reflective of Council work including minutes of meetings, decisions, reports, and presentations.

### External review of Council operations

- In 2020, a peer review of the Fiscal Council was conducted by an expert team led by the OECD. The project was funded by the European Union, and implemented by the OECD in cooperation with the European Commission's Directorate General for Structural Reform Support (DG REFORM). The review was informed by virtual visits for stakeholder interviews in summer 2020. The Council welcomed the final report, published in February 2021, and the Review's findings. The Council has implemented the bulk of recommendations addressed to the Council and in 2023 continued to engage with Department of Finance on aspects that would require legislative change or actions by the Department. This process is expected to reach its conclusion in 2024.

## Supporting Goal 2: Promote Awareness of Fiscal Policy issues

### Two Fiscal Assessment Reports and a Pre-Budget Statement every year

- The Council presented its reports in a clear manner to the highest possible professional standards, in print and on its website.
- To make sure that its reports contained non-technical summaries, the Council highlighted the "Summary Assessment"

from both Fiscal Assessment Reports, and highlighted the key messages from its “Pre-Budget 2024 Statement”.

- The Council responded to queries on its reports in a timely manner.

### Analytical Notes and Working Papers

- On 28 February 2023 the Council published a working paper “Estimating Ireland’s Probability of a Recession” looking at ways that future recessions in Ireland could be predicted based on assessments of historical indicators and models. On 30 March 2023 the Council published a working paper “Saving for Ireland’s Future: Building a Sustainable Framework to Fund the State Pension” which puts forward an alternative approach to funding Ireland’s State Pension. On 24 May 2023 the Council published an Analytical Note “Ireland’s modified domestic demand: what it tells us and where we should be cautious” which has become a key indicator of focus for understanding what is happening to Ireland’s domestic economy. On 1 June 2023 the Council published a working paper “Understanding Ireland’s Top Corporation Taxpayers” which seeks to better understand the concentration of Ireland’s corporation tax receipts among a handful of large, foreign-owned multinationals. On 7 June 2023 the Council published an Analytical Note “Ireland’s spending rule and the third wave of the EU’s fiscal rules” exploring National and EU spending rules which are taking on greater importance as a means of safeguarding economic sustainability. On 27 June 2023 the Council published a working paper “Demystifying Ireland’s national income: A bottom-up analysis of GNI\* and productivity” which looks to develop a clearer picture of what makes up modified gross national income (GNI\*) — a measure that is now widely accepted as a relevant measure of the size of Ireland’s economy. On 8 August 2023 the Council published a working paper “Estimating spending multipliers in Ireland using the narrative approach” which looks at Ireland’s fiscal multipliers using a new dataset on government spending shocks from 1987 to 2019. The paper tries to remove the effect of policy changes being anticipated and the effects of the business cycle using the so-called “narrative approach”. On 4 October 2023 the Council publishes a paper “What climate change means for Ireland’s public finances”. This paper is part

of a new series of research outputs that supports the Council's assessments of the long-term sustainability of the public finances. The series is specifically intended to provide analysis and research that feeds into the Council's Long-term Sustainability Reports.

The Council presented its work at relevant conferences/seminars:

- Eddie presented at an OECD workshop on long-term fiscal reporting: Paris 10 February 2023
  - Eddie presented at the UCC Economics Conference: 2 March 2023
  - Sebastian was a panelist at the TASC FEPS Fiscal Rule seminar: Dublin 14 March 2023
  - Eddie presented at the Irish Economic Association Conference: Athlone 3-5 May 2023
  - Sebastian presented an EU IFI paper at the EFB Annual Conference: Brussels 11 May 2023
  - Michael was a panelist at the National Economic Dialogue: Dublin 12 June 2023
  - Kevin & Eddie presented at the Demystifying Ireland's national accounts: a Council hybrid seminar on GNI\* 27 June 2023
  - Eddie presented at the Department of Finance's Annual Policy Conference: 11 July 2023
  - Eddie presented a Pre-Budget talk at the British-Irish Chamber of Commerce
  - Eddie presented at the ECFIN National Fiscal Framework Conference: Brussels 12 December 2023
  - Michael presented at the World Bank conference on fiscal rules and councils in the Western Balkans: Vienna 19 & 20 December 2023
- The Council raises awareness on fiscal issues and activities of the Council outside of the Fiscal Assessment Report cycle.

## External communications and awareness of the Council

- In 2023 the Council appeared before the Oireachtas Select Committee on Budgetary Oversight when invited (22 June, 20 September, 22 November and 13 December) and the Oireachtas Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach on 10 May.
- The Council hosted media briefings before publishing each Fiscal Assessment Report.
- The Council published a press release and presentation for each Fiscal Assessment Report.
- The Council held the seventh in the series of its annual "Path for the Public Finances" conferences on 31 March 2023 which was on the theme of saving today's revenues for use by current and future generations. This includes financing rising pensions costs and managing large "excess corporation tax receipts" in a way that is economically, fiscally, and socially sustainable. The conference looked at Norway's experience establishing its Sovereign Wealth Fund, Canada's approach to managing an ageing population, and new research from the Council on how Ireland could better prepare for the future. The conference speakers included former Governor of the Central Bank of Norway, CEO of the Institute of Fiscal Studies and Democracy at the University of Ottawa, Chair of Ireland's National Competitiveness and Productivity Council, Research Area Coordinator for the Tax, Welfare and Pensions team at the ESRI and the Director of the Ireland Strategic Investment Fund.
- The Council and Secretariat participated in relevant domestic and international conferences and seminars, including:
  - EU IFI Meeting (27 January 2023)
  - ECFIN Workshop: Fiscal Policy in times of high debt and economic turbulences Brussels (31 January 2023)
  - Eddie presenting at an OECD workshop on long-term fiscal reporting: Paris (10 February 2023)
  - Eddie presented to UCD students (16 February 2023)
  - Eddie presented at the UCC Economics Conference (2 March 2023)
  - EFB Annual Conference (3 March 2023)

- Sebastian was a panelist at the TASC FEPS Fiscal Rule seminar in Dublin (14 March 2023)
- Eddie attended the OECD IFI Network Meeting Iceland (13-14 April 2023)
- Eddie presented at and Niall and Killian attended the Irish Economic Association Conference in Athlone (3-5 May 2023)
- Sebastian presented an EU IFI paper at the EFB Annual Conference in Brussels (11 May 2023)
- Michael and Eddie attended the National Economic Dialogue in Dublin (12 June 2023)
- Sebastian and Eddie attended the EU IF meeting in the Hague (15 & 16 June 2023)
- Demystifying Ireland's national accounts: a Council hybrid seminar on GNI\* (presented by Kevin) and MDD (presented by Eddie) (27 June 2023)
- Eddie presented at the Department of Finance's "Annual Policy Conference: (11 July 2023)
- Eddie presented a Pre-Budget talk at the British-Irish Chamber of Commerce
- EU IFI Network ESCB Workshop: Frankfurt (19 & 20 September 2023)
- DGEFCIN Online IFIs role seminar (15 November 2023)
- IPFIN conference (16-17 November 2023)
- EU IFI Meeting in Brussels (11 December 2023)
- Eddie presented at ECFIN National Fiscal Framework Conference in Brussels (12 December 2023)
- Michael presented at the World Bank conference on fiscal rules and councils in the Western Balkans in Vienna (19 December 2023)
- The Council responded in a timely manner to all queries on its activities
- The Council made greater use of its website and social media accounts, to establish the Council as the authoritative source on fiscal policy and fiscal stance in Ireland. The Council

continues to develop the website to make it more user friendly. The Council posted on its X account (formerly Twitter) about its publications, endorsements, and infographics, as well as topics such as corporation tax, pensions and climate change.

## Achieving Our Goals

### Economic Forecasting: Short-term and medium-term forecasting; Long-term forecasting

- The Council further developed the Secretariat's short-term (2 year) and medium-term (3–5-year) forecasting capabilities through training, recruitment, and reviewing Benchmark projections.
- On 28 February 2023 the Council published a working paper "Estimating Ireland's Probability of a Recession" looking at ways that future recessions in Ireland could be predicted based on assessments of historical indicators and models.
- On 30 March 2023 the Council published a working paper "Saving for Ireland's Future: Building a Sustainable Framework to Fund the State Pension" which puts forward an alternative approach to funding Ireland's State Pension
- On 24 May 2023 the Council published an Analytical Note "Ireland's modified domestic demand: what it tells us and where we should be cautious" which has become a key indicator of focus for understanding what is happening to Ireland's domestic economy.
- On 1 June 2023 the Council published a working paper "Understanding Ireland's Top Corporation Taxpayers" which seeks to better understand the concentration of Ireland's corporation tax receipts among a handful of large, foreign-owned multinationals.
- On 7 June 2023 the Council published an Analytical Note "Ireland's spending rule and the third wave of the EU's fiscal rules" exploring National and EU spending rules which are taking on greater importance as a means of safeguarding economic sustainability.
- On 27 June 2023 the Council published a working paper "Demystifying Ireland's national income: A bottom-up analysis of GNI\* and productivity" which looks to develop a clearer picture of what makes up modified gross national income (GNI\*) — a measure that is now widely accepted as a relevant measure of the size of Ireland's economy.



- On 8 August 2023 the Council published a working paper “Estimating spending multipliers in Ireland using the narrative approach” which looks at Ireland’s fiscal multipliers using a new dataset on government spending shocks from 1987 to 2019. The paper tries to remove the effect of policy changes being anticipated and the effects of the business cycle using the so-called “narrative approach”.
- On 4 October 2023 the Council publishes a paper “What climate change means for Ireland’s public finances”. This paper is part of a new series of research outputs that supports the Council’s assessments of the long-term sustainability of the public finances. The series is specifically intended to provide analysis and research that feeds into the Council’s Long-term Sustainability Reports.

### Public Finances and Fiscal Rules

- The Council continued to make sure that Secretariat staff members are appropriately trained and informed on all issues relating to the public finances and fiscal rules.
- The Council documented clearly the Government’s compliance or non-compliance with the domestic Budgetary Rule, in its “Assessment of Compliance with the Domestic Budgetary Rule in 2022” published in the Fiscal Assessment Report, June 2023.
- The Council further developed its analysis of revisions to public finance projections relative to plans, its analysis of budgetary one-offs, and its understanding of key drivers of public expenditure forecasts.
- The Council continued to develop its work on producing long-term fiscal projections.

### Full-time six-person Secretariat

- The Council provided ongoing training for Secretariat where appropriate.
- The Council continued regularly reviewing the Secretariat’s output.
- The Council and Secretariat maintained a supportive work environment.

- The Council made sure that clear work plans and goals were in place for staff in 2023.
- The Council liaised with service providers, to ease the administrative burden on staff, and continued its annual review of its Shared Service Agreement with the ESRI (Economic and Social Research Institute).

### Stakeholders

- During 2023, the Council and Secretariat met with key stakeholders of the Council to hear their views on economic issues and work related to the Council. This included Committees to Houses of the Oireachtas, the Central Statistics Office, the Department of Finance, the Department of Public Expenditure and Reform, the ESRI, private economic forecasting agencies, and other international fiscal councils.
- During 2023, the Council participated in international fiscal council forums, attending meetings of the Network of EU Independent Fiscal Institutions (EUIFI), EU Network of Independent Fiscal Institutions (EUNIFI), and OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions.

# Governance

## Audit and Risk Committee

In 2023, the Audit and Risk Committee's members were:

- Dawn Holland (Chairperson)
- Michael Kelly (external member initially appointed February 2016, re-appointed February 2019 and again in February 2022).
- Adele Bergin (appointed in January 2021)

The Audit and Risk Committee met on five dates in 2023:

- 16 February
- 27 April
- 23 July
- 04 September
- 15 November

In 2014, the Fiscal Council appointed Mazars as internal auditors for 2015–2017. Mazars were re-appointed as internal auditors for the period 2018 to mid-2021. Following a procurement process the Fiscal Council re-appointed Mazars in July 2021 as internal auditors for the provision of two internal audits annually, over a 48-month period.

Mazars carried out two internal audits in 2023: a joint audit of the review of the System of Internal Control and a review of Internal Financial Controls & Internal Control for 2023 and a Human Resources Audit.

In July 2023, the Council reviewed and updated the Charter of the Audit and Risk Committee, and in December 2023 reviewed the Internal Audit Charter.

## Disclosure of interests

In accordance with the Code of Practice for the Governance of State Bodies, the Council has a Code of Business Conduct which includes guidance in relation to the disclosure of interests by Council Members. These procedures were complied with.

Council members are designated directors for the purposes of the Ethics in Public Office Acts 1995 and 2003, and have

obligations in relation to disclosure of material interest and an annual statement of interest under the terms of the Acts.

### Self-Assessment

The Council completed its annual self-assessment evaluations in 2023, Council members returned completed annual self-assessment evaluations to the Chairperson.

# Implementation of the Public Sector Climate Action Mandate and sustainability activities

## Energy consumption

The Fiscal Council offices are located in the Economic & Social Research Institute (ESRI) building. The Fiscal Council has a shared service agreement (SSA) in place with the ESRI. Under this agreement, the ESRI provides office accommodation and building services on a pro rata basis and support services relating primarily to accounts, IT, and other corporate services. The facilities provider, the ESRI, have been developing and implementing various “green” initiatives across the site on an ongoing basis. The Fiscal Council is actively engaging in these initiatives and its own.

The Fiscal Council's energy consumption is apportioned based on the use of ESRI facilities according to the pro-rata number of staff. On this basis, consumption by energy type in 2023 was 15,752kWh of electricity and 16,596kWh of gas for a total 32,348kWh energy consumption. Compared to 2018, this represents an overall 53% reduction in consumption in 2023 (2022: 58%)<sup>11</sup>.

**Table: Consumption by energy type**

	2018	2019	2020	2021	2022	2023	2023 vs 2018
Electricity	46,233	39,692	25,179	31,650	17,191	15,752	-66%
Thermal	22,921	21,185	13,544	11,197	11,646	16,596	-28%
Total	69,153	60,877	38,722	42,847	28,837	32,348	-53%

## Air travel emissions

The Council is required to comply with Circular 1/2020 on procedures for offsetting emissions associated with official air travel and make a payment to the Fund Manager of the

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<sup>11</sup> As set out in the [Climate Action and Low Carbon Development \(Amendment\) Bill 2021](#), Ireland's first two carbon budgets provide for a reduction of 51 per cent in the total amount of greenhouse gas emissions over the course of the first two budget periods ending on 31 December 2030, from the annual greenhouse gas emissions reported for the year ending on 31 December 2018.

statutory Climate Action Fund related to these emissions for the preceding year. In February 2024 a sum of €125.84 was paid in respect of the 2023 liability based on 24,882 kms travelled (20 return flights). In addition, a sum of €48.76 was paid in October 2023 in respect of (2022: €14.65, 2021: €34.11) based on 3,364 kms travelled (3 return flights) in 2022 and 10,638 kms travelled (8 return flights) in 2021.

### Paper usage

The Council has eliminated its use of paper-based processes in full.

By default, digitisation is the Council's main approach to delivering on its mandate.

In the past three years, the Council has not procured paper and its policy is to ensure that recycled paper is the default option if required.

### Energy management

The Council is required to implement energy management programmes as per SEAI's energy management guidance (S.I. 426 of 2014). Reporting to the SEAI annually on M&R is via the ESRI.

### Procurement

Where appropriate, the Council intends to now procure goods and services in line with [EPA Green Public Procurement Guidance](#) and using and using [GPP Criteria Search](#) where appropriate. There were no above-threshold procurement needs in 2023 that this would apply to.

The Fiscal Council has ceased using disposable cups, plates and cutlery in its offices for full-time staff and plans to fully eliminate all use, including for visitors.

The Fiscal Council has no envisaged construction needs but will ensure to specify low carbon construction methods and low carbon cement material as far as practicable for any directly procured or supported construction projects from 2023.

### Buildings and Vehicles

The Fiscal Council

- provides secure and accessible bicycle parking through its facilities provider
- does not provide car parking by default to staff except in exceptional circumstances
- facilitates the bike-to-work scheme for its employees
- does not own any property, energy sources are provided by its facilities provider
- has no vehicles and does not intend to procure any in future

## Appendix: Statement on System of Internal Controls in a State Body

(from the Chairperson's Comprehensive Report to the Minister)

- 1) On behalf of the Irish Fiscal Advisory Council, I acknowledge the Council's responsibility for making sure that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).
- 2) The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.
- 3) The key control procedures, tailored to reflect the size and complexity of the Council to provide a full understanding of the procedures, put in place by the Council to provide effective internal control include the following:
  - i. The Council concluded its annual review of the effectiveness of internal control systems on 08 May 2024, to ensure that it had considered all aspects of risk management and internal control for 2023.
  - ii. The Council had no instances where breaches in control occurred.
  - iii. The Council had no material losses or frauds.
  - iv. The Audit and Risk Committee and the Council reviewed the Statement on Internal Controls to ensure it accurately reflects the control system in operation during 2023.
  - v. The external auditors reviewed the Statement on Internal Controls to confirm that it reflects the audited body's compliance with the requirements of the Code of Practice and is consistent with the information of which they are aware from their audit work on the financial statements.
  - vi. I confirm that a control environment containing the following elements is in place: procedures for all key



business processes have been documented; financial responsibilities assigned at management level with corresponding accountability; an appropriate budgeting system with an annual budget which is submitted to the Department of Finance; systems aimed at ensuring the security of the information and communication technology systems; and systems in place to safeguard assets.

- vii. A risk register is in place which identifies the key risks facing the Irish Fiscal Advisory Council and these have been identified, evaluated and graded according to their significance. The Council systematically reviews its risk register and updates as necessary.
- viii. There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.
- ix. I confirm that the following ongoing monitoring systems are in place: key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies; reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.
- x. The Irish Fiscal Advisory Council's monitoring and review of the effectiveness of the system of internal control is informed by
  - a letter of assurance from the ESRI, who provide accounting and payroll services to the Fiscal Council as part of a shared service agreement, in respect of the operation of its systems of internal control. In addition, all processes and procedures carried out by the ESRI in relation to services provided to the Fiscal Council are subject to audit by the Fiscal Council's internal auditors during the annual SIC audit;
  - the work of the internal and external auditors;
  - the Audit and Risk Committee which oversees their work; and

- the senior management within the Irish Fiscal Advisory Council responsible for the development and maintenance of the internal financial control framework.
- 4) I confirm that the Council concluded its annual review of the effectiveness of internal control systems on 08 May 2024.
  - 5) No weaknesses in internal control were identified in relation to 2023 that require disclosure in the financial statements.
  - 6) I confirm that the Council is in compliance with current procurement rules and guidelines as set out by the Office of Government Procurement.

## **Financial Statements for the year ended 31 December 2023**

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## Governance Statement and Council Members' Report

### Governance

The Irish Fiscal Advisory Council (“the Fiscal Council”) was established on an interim basis in July 2011 and on a statutory basis in December 2012 by the Fiscal Responsibility Act 2012 (“the Act”). The Fiscal Council is comprised of a five-member Council (“the Council”) and a six-member, full-time Secretariat, headed by a Chief Economist/Head of Secretariat. The Fiscal Council’s mandate is to provide independent assessments of official macroeconomic and budgetary forecasts, assessments of compliance with the statutory Budgetary Rule, assessments of the overall stance of fiscal policy, and endorsements (as appropriate) of the official macroeconomic forecasts prepared by the Department of Finance. The Act guarantees the Fiscal Council’s independence while making it accountable to the Minister for Finance. The Council is responsible for ensuring good governance of the organisation. It does this by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Fiscal Council are the responsibility of the Chief Economist/Head of Secretariat, who must follow the broad strategic direction set by the Council and must make sure that all Council members have a clear understanding of the key activities and decisions related to the Council, and of any significant risks likely to arise. The Chief Economist/Head of Secretariat acts as a direct liaison between the Council and staff.

### Council Responsibilities

The work and responsibilities of the Council are set out in the Schedule of Matters, which also contain the matters specifically reserved for Council decision. Standing items considered at the Council’s regular meetings include:

- declaration of interests,
- financial reports/management accounts,
- minutes of the Audit and Risk Committee,
- performance reports,
- reserved matters,
- risk updates,
- IT Security,
- Freedom of Information, and
- Parliamentary Questions.

The Fiscal Responsibility Act 2012 requires the Fiscal Council to keep, in such form as may be approved by the Minister for Finance with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it. In preparing these financial statements, the Fiscal Council is required to:

- select suitable accounting policies and apply them consistently,

- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Fiscal Council is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to make sure that the financial statements comply with the Fiscal Responsibility Act 2012. The maintenance and integrity of the corporate and financial information on the Fiscal Council’s website is the responsibility of the Council. The Council is responsible for approving the annual work plan and budget. An evaluation of the performance of the Council by reference to the annual plan and budget was carried out on 08 May 2024.

The Council is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Council considers that the financial statements give a true and fair view of the financial performance and the financial position of the Fiscal Council at 31 December 2023.

The Council has approved a procurement policy that delegates authority for spending, under certain limits, to the Secretariat.

### Council Structure

The Council consists of a Chairperson, Vice Chairperson, and three ordinary members, all of whom were appointed by the Minister for Finance. The members of the Council were appointed for a period of four years and meet on roughly a monthly basis. The table below details the appointment period for members in 2023:

Council member	Role	First appointed	Reappointed (ii)
*Sebastian Barnes	Chairperson Jan-June 2023	31 December 2012	1 January 2017 1 January 2021
**Prof Michael McMahon	Acting Chairperson July-Dec 2023	18 April 2019	18 April 2023
Dawn Holland (ii)	Ordinary Member	1 January 2020	
***Dr Adele Bergin (i)	Vice Chairperson July-Dec 2023	1 January 2021	
Alessandro Giustiniani	Ordinary Member	1 January 2021	

(i) Audit and Risk Committee member

(ii) Effective 16 December 2020 a Council Member can serve up to three consecutive terms.

\*S Barnes stepped down as Chairperson and Council Member effective 30 June 2023;

\*\*M McMahon was Vice Chairperson and served as Acting Chairperson effective 1 July 2023 and was formally appointed by the Minister as Acting Chairperson on 5 July 2023;

\*\*\*A Bergin was appointed Vice Chairperson by the Council effective 1 July 2023

## Key Personnel Changes

Mr Sebastian Barnes stepped down as Chairperson and Member of the Fiscal Council effective 30 June 2023.

Vice-Chairperson, Prof. Michael McMahon fulfilled the role of Acting Chairperson from 1 July 2023 and was formally appointed by the Minister as Acting Chairperson on 5 July 2023.

The Council agreed that Dr Adele Bergin would fulfil the duties of Vice-Chairperson during this interim period.

Ms Dawn Holland's four-year term of appointment to the Irish Fiscal Advisory Council ended on 31 December 2023.

Dr Eddie Casey, Chief Economist/Head of Secretariat, moved to the OECD as an "Expert on Loan" from the Fiscal Council for a temporary period effective 15 December 2023. Mr Niall Conroy assumes the role of Acting Chief Economist/Head of Secretariat during this period.

There was one vacancy as a Member of the Fiscal Council from 1 July 2023 and a further vacancy arose on 1 January 2024.

## Audit and Risk Committee

The Council has established an Audit and Risk Committee, which comprises two Council members and one independent member. The role of the Committee is to support the Council in relation to its responsibilities for issues of risk, control and governance and associated assurance. The Committee is independent from the financial management of the organisation. In particular, the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The Committee reports to the Council after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee in 2023 were Dawn Holland (Chairperson A&RC), Adele Bergin and Michael Kelly. The Committee met five times in 2023.

## Other information

### Auditor:

The Comptroller and Auditor General  
3A Mayor Street Upper  
Dublin 1

## Bankers:

Bank of Ireland  
Lower Baggot Street  
Dublin 2

## Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Council and Committee meetings for 2023 is set out below, including the fees and expenses incurred by each member:

	See Notes pages 20-21	Council meetings attended (total: 9)	Audit and Risk Committee meetings attended (total: 5)	Fees (2023) €	Travel and subsistence expenses (ii) (2023) €
*Mr Sebastian Barnes (i)	4, 5	9	N/A	(i) 10,260	3,349
**Prof Michael McMahon	4	9	N/A	16,245	2,731
Ms Dawn Holland	4	9	5	11,970	2,356
***Dr Adele Bergin (i)	4, 5	9	5	(i) 11,970	-
Mr Alessandro Giustiniani	4	9	N/A	11,970	702
<b>Total Council Members Fees and Expenses</b>				<b>62,415</b>	<b>9,138</b>
Mr Michael Kelly (Audit and Risk Committee only)	6	N/A	5	1,845	-
<b>Total</b>				<b>64,260</b>	<b>9,138</b>

(i) These fees are paid to the employers of the Council members, and not to the Council members themselves.

(ii) Travel and subsistence expenses are incurred with no benefit to the individual.

\*S Barnes stepped down as Chairperson and Council Member effective 30 June 2023;

\*\*M McMahon was Vice Chairperson and served as Acting Chairperson effective 1 July 2023 and was formally appointed by the Minister as Acting Chairperson on 5 July 2023;

\*\*\*A Bergin was appointed Vice Chairperson by the Council effective 1 July 2023.

## Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Council is responsible for making sure that it has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), which the Department of Public Expenditure, NDP Delivery and Reform published in August 2016. The following disclosures are required by the Code:

## Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range		Number of employees	
From	To	2023	2022
€60,000	€69,999	1	-
€70,000	€79,999	-	-
€80,000	€89,999	2	2
€90,000	€99,999	-	-
€100,000	€109,999	-	1
€110,000	€119,999	1	-

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but exclude employer's PRSI.

## Consultancy Costs

The Fiscal Council had no consultancy costs in 2023.

## Legal Costs and Settlements

The Fiscal Council had no legal costs or settlements in 2023.

## Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	See Note page 20	2023 €	2022 €
<b>Domestic</b>			
Council	4	1,462	2,570
Employees		708	836
<b>International</b>			
Council	4	7,676	6,596
Employees		6,250	2,467
<b>Total</b>		<b>16,096</b>	<b>12,469</b>

## Hospitality Expenditure

The Statement of Income and Expenditure includes hospitality expenditure of €103 relating to a lunch for three speakers participating in the "Path for the Public Finances, 2023: 'Saving today's revenues for use by current and future generations' conference.

## Statement of Compliance

The Council has adopted the Code of Practice for the Governance of State Bodies (2016), adapted in some instances to take account of the Fiscal Council's particular governance framework and the statutory requirements of the Fiscal Responsibility Act 2012 and Regulation (EU) No 473/2013 of



the European Parliament and of the Council of 21 May 2013, including the requirement for the Fiscal Council to be independent. The Council has put procedures in place to ensure the application of relevant provisions of the Code of Practice. In that context, the Council has assessed each provision appropriate to the Fiscal Council’s statutory requirements and it has agreed with the Department of Finance those provisions not relevant or to which the Fiscal Council will comply via an alternative principle. It also has an Oversight and Performance Delivery Agreement in place in this regard. Further details are provided in the following table:

<b>What the Code provision requires</b>	<b>The Council’s measures for achieving the objectives of the provision</b>
1.18 (“Ministerial Views”) requires the Council to send a copy of the draft Strategic Plan to the Minister for Finance before Council finalise and adopt the plan, and to consider the views of the Minister and the public interest.	The Council must maintain its independence and so does not seek the views of the Minister for Finance on its draft Strategic Plans. The Council does, however, consider the public interest when drafting its Strategic Plans.
10.1 (“Customer Charter”), 10.2 (“Customer Charter Cycle”), 10.3 (“Display and Content”), 10.4 (“Customer Action Plan”), and 10.5 (“Customer Charters and Customer Action Plans”).	The Council does not provide services directly to the public, and so the Council has no Customer Charter and no Customer Action Plan.

## Statement on Internal Control

### Scope of Responsibility

On behalf of the Irish Fiscal Advisory Council (“the Fiscal Council”), I acknowledge the Council’s responsibility for making sure that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

### Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, NDP Delivery and Reform has been in place in the Fiscal Council for the year ended 31 December 2023 and up to the date of approval of the financial statements.

### Capacity to Handle Risk

The Fiscal Council has an Audit and Risk Committee comprising two Council members (one of whom chairs the Committee) and one external member with financial and audit expertise. The Committee met five times in 2023. As per the Charter and Terms of Reference for the Audit and Risk Committee, the Committee oversees the internal audit function, with the Secretariat procuring third-party auditors as necessary to conduct a programme of work agreed with the Committee.

The Committee has developed a risk management policy which sets out its risk appetite, risk management processes, and roles and responsibilities of staff members in relation to risk. The Secretariat issued the policy to all staff members, who are expected to work within the Fiscal Council’s risk management policies, to alert management on emerging risks and control weaknesses, and to assume responsibility for risks and controls within their own area of work.

### Risk and Control Framework

The Fiscal Council has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A Risk Register is in place which identifies the key risks facing the Fiscal Council and these have been identified, evaluated and graded according to their significance. The Council systematically reviews and updates its Risk Register. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The Risk Register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented;
- financial responsibilities assigned at management level with corresponding accountability;
- an appropriate budgeting system with an annual budget which is submitted to the Department of Finance;
- the Fiscal Council has sought and received assurances from the ESRI that it has reviewed its systems of internal control in relation to the provision of accounting and payroll services as part of a shared service agreement to the Fiscal Council;
- systems aimed at ensuring the security of the information and communication technology systems;
- systems in place to safeguard assets.

### Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

### Procurement

I confirm that the Fiscal Council has procedures in place to ensure compliance with the applicable EU Directives and national laws relating to public procurement, and the Office of Government Procurement's "Public Procurement Guidelines for Goods and Services". During 2023, the Irish Fiscal Advisory Council complied with these procedures.

### Review of Effectiveness

I confirm that the Fiscal Council has procedures to monitor the effectiveness of its risk management and control procedures. The Fiscal Council's monitoring and review of the effectiveness of the system of internal control is informed by:

- a letter of assurance from the ESRI, who provide accounting and payroll services to the Fiscal Council as part of a shared service agreement, in respect of the operation of its systems of internal control (SIC). In addition, all processes and procedures carried out by the ESRI in relation to services provided to the Fiscal Council are subject to audit by the Fiscal Council's internal auditors during the annual SIC audit;
- the work of the internal and external auditors;
- the Audit and Risk Committee which oversees their work; and
- the senior management within the Fiscal Council, which are responsible for the development and maintenance of the internal financial control framework.

I confirm that the Council conducted an annual review of the effectiveness of the internal controls for 2023.

### Internal Control Issues

No weaknesses in internal control were identified in relation to 2023 that require disclosure in the financial statements.



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Michael McMahon  
Acting Chairperson  
Date: 02/08/2024

# Report of the Comptroller and Auditor General



## Ard Reachtairé Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

#### Irish Fiscal Advisory Council

#### Opinion on the financial statements

I have audited the financial statements of the Irish Fiscal Advisory Council (the Council) for the year ended 31 December 2023 as required under the Fiscal Responsibility Act 2012. The financial statements comprise

- the statement of income and expenditure
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Council at 31 December 2023 and of its income and expenditure for 2023 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### *Basis of opinion*

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Council and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Report on information other than the financial statements, and on other matters

The Council has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Council members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Mark Brady**  
For and on behalf of the  
Comptroller and Auditor General  
6 August 2024

# Report of the Comptroller and Auditor General

## Appendix to the report

### Responsibilities of Council members

The governance statement and Council members' report sets out the Council members' responsibilities. The Council members are responsible for

- the preparation of annual financial statements in the form prescribed under paragraph 10 of the Schedule to the Fiscal Responsibility Act 2012
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under paragraph 10 of the Schedule to the Fiscal Responsibility Act 2012 to audit the financial statements of the Council and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

## Statement of Income and Expenditure for the year ended 31 December

	Notes	2023 €	2022 €
<b>Income</b>			
State funding receivable	2	762,724	735,837
Deferred retirement benefit funding	17(c)	105,000	168,000
		867,724	903,837
<b>Expenditure</b>			
Salaries	3	487,099	464,038
Council members' fees	4	40,185	35,910
Council members' expenses	4	9,138	9,166
Payments to international and Irish public bodies	5	22,230	32,490
Administration expenses	6	229,257	212,489
Retirement benefit costs	17(a)	82,623	146,962
		870,532	901,055
<b>Excess of (Expenditure)/Income before appropriations</b>		(2,808)	2,782
Transfer from/(to) capital account	14	2,808	(2,782)
<b>Net Income/Expenditure for the year</b>		-	-

The Statement of Cash Flows and notes numbered 1 to 19 form an integral part of these financial statements and should be read in conjunction therewith.



Michael McMahon  
Acting Chairperson  
Date: 02/08/2024

## Statement of Comprehensive Income for the year ended 31 December

	Notes	2023 €	2022 €
Surplus for the year		–	–
Actuarial (loss)/gain on retirement benefit obligations	17 (b)	(165,000)	606,000
Movement in deferred retirement benefit funding	17 (c)	165,000	(606,000)
Total comprehensive income for the year		–	–

The Statement of Cash Flows and notes numbered 1 to 19 form an integral part of these financial statements and should be read in conjunction therewith.



Michael McMahon  
Acting Chairperson  
Date: 02/08/2024



## Statement of Financial Position as at 31 December

	Notes	2023 €	2022 €
<b>Fixed Assets</b>			
Tangible Assets	7	2,847	5,655
<b>Current Assets</b>			
Cash and Cash Equivalents	8	125,552	125,735
Debtors and prepayments	9	18,912	12,328
		144,464	138,063
<b>Current Liabilities</b>			
Sundry creditors and accrued expenses	10	126,392	126,695
Amount due to Central Fund	2	18,072	11,368
Total Current Liabilities		144,464	138,063
<b>Net Assets before Retirement Benefits</b>		2,847	5,655
<b>Retirement Benefits</b>			
Retirement Benefit Obligations	17 (b)	(949,000)	(679,000)
Deferred Retirement Benefit Asset	17(c)	949,000	679,000
		–	–
<b>Net Assets after Retirement Benefits</b>		2,847	5,655
Represented by			
Capital Account	14	2,847	5,655

The Statement of Cash Flows and notes numbered 1 to 19 form an integral part of these financial statements and should be read in conjunction therewith.



Michael McMahon  
Acting Chairperson  
Date: 02/08/2024

## Statement of Cash Flows for the year ended 31 December

	2023 €	2022 €
<b>Net Cash Flows from Operating Activities</b>		
Excess/(deficit) of income over expenditure	(9,272)	(23,746)
Depreciation of fixed assets	2,808	3,987
(Increase)/Decrease in receivables	6,584	(3,140)
Increase/(Decrease) in payables	(303)	2,269
<b>Net Cash Inflow/(outflow) from Operating Activities</b>	<b>(183)</b>	<b>(20,630)</b>
<b>Cash Flows from Investing Activities</b>		
Payments to acquire property, plant & equipment	-	(6,769)
<b>Net Cash Flows from investing activities</b>	<b>-</b>	<b>(6,769)</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(183)</b>	<b>(27,399)</b>
Cash and cash equivalents at 1 January	125,735	153,134
<b>Cash and cash equivalents at 31 December</b>	<b>125,552</b>	<b>125,735</b>



Michael McMahon  
Acting Chairperson  
Date: 02/08/2024

## Notes to and forming part of the Financial Statements for the year ended 31 December 2023

### 1. Statement of Accounting Policies

The principal accounting policies adopted by the Council in determining the amounts included in the statement of financial position and in reporting its transactions for the year are as follows:

#### a) Basis of accounting

The Irish Fiscal Advisory Council (“the Fiscal Council”) was established with effect from 31 December 2012 under section 7 of the Fiscal Responsibility Act 2012. Prior to that date it operated on a non-statutory basis.

These financial statements are prepared on an accruals basis under the historical cost convention and in accordance with generally accepted accounting practice. The unit currency is the euro.

#### b) Statement of Compliance

The financial statements of the Irish Fiscal Advisory Council for the year ended 31 December 2023 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (FRC).

#### c) Expenditure

The expenditure recognised in the Statement of Income and Expenditure represents the costs incurred by the Fiscal Council in the year in the performance of its functions.

#### d) Income

The income reported in the Statement of Income and Expenditure reflects the amounts receivable from the Central Fund in respect of the expenditure in the year in accordance with section 9 of the schedule to the Fiscal Responsibility Act 2012.

#### e) Fixed Assets and Depreciation

The fixed assets held by the Fiscal Council at year end consisted of computer equipment which was depreciated at an annual rate of 33% and Fixtures and Fittings which was depreciated at an annual rate of 20%. A full year’s depreciation is charged in the year of acquisition.

#### f) Capital Account

The Capital Account represents the unamortised value of state funding used to purchase fixed assets.

#### g) Employee Benefits

##### Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Sundry creditors and accrued expenses figure in the Statement of Financial Position.

## Retirement Benefits

There are two superannuation schemes in operation within the Fiscal Council. The Fiscal Council operates the Single Public Services Pension Scheme (“Single Scheme”) which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. All directly paid employees are obliged to join the scheme. Employee contribution rates are 3% of Pensionable Remuneration and 3.5% of Net Pensionable Remuneration. There is no employer contribution. Single Scheme members’ contributions are payable to the Department of Public Expenditure, NDP Delivery and Reform ([Note 17](#)). The Scheme is unfunded and will be financed on a pay-as-you-go basis from funds available to the Fiscal Council.

Sanction has been received from the Department of Public Expenditure, NDP Delivery and Reform to operate the new model pension scheme on an administrative basis for the purpose of providing superannuation arrangements for staff not part of the Single Scheme, pending formal adoption of the model scheme by the Fiscal Council. The Fiscal Council is making the relevant deductions and pending formal approval of the scheme, the amounts are included in creditors at year-end.

Retirement benefit costs reflect pension benefits earned by employees and are shown net of staff pension contributions payable to DPER. Deferred funding for retirement benefits is recognised as an asset corresponding to the deferred liability for retirement benefit obligations.

Retirement benefit liabilities are measured on an actuarial basis using the projected unit method. In determining the value of liabilities, assumptions are made as to price inflation, pension increases, earnings growth and demographics. The assumptions underlying the 2023 liabilities and pension costs are set out in [Note 17](#).

Actuarial gains and losses arising from changes in actuarial assumptions and from experience are recognised in the Statement of Comprehensive Income in the year in which they occur.

## 2. State Funding

The Irish Fiscal Advisory Council is funded from the Central Fund. Under section 9 of the schedule to the Fiscal Responsibility Act 2012 the amount chargeable to the Central Fund is the amount expended by the Fiscal Council in carrying out its functions. The Central Fund operates on a receipts and payments basis whereas these financial statements have been prepared on an accrual basis. The table below sets out the reconciling items.

	2023 €	2022 €
Opening amount due to/(from) Central Fund	11,368	37,896
Received from Central Fund	791,805	730,347
Amount due to Central Fund at year end	(18,072)	(11,368)
Central Fund Receivable	785,101	756,875
Less: Employee contributions payable to DPER (Note 17(a))	(22,377)	(21,038)
State Funding Receivable for the year	762,724	735,837

### 3. Salaries

The number of persons employed (full-time equivalents (FTE)) in the financial year was 6.44 (2022:6.33).

Information on retirement benefits for staff directly employed by the Irish Fiscal Advisory Council are set out in [Note 17](#).

#### Remuneration

##### (a) Aggregate Employee Benefits and Termination Benefits

	2023 €	2022 €
Staff short-term benefits	439,885	418,965
Termination benefits	-	-
Employer's contribution to social welfare	47,214	45,073
	<b>487,099</b>	<b>464,038</b>
Retirement benefit costs- See Note 17	82,623	146,962
<b>Total</b>	<b>569,722</b>	<b>611,000</b>

The total number of staff employed (FTE) at year end was 6 (2022:6). The Fiscal Council employed eight individuals at different times over the course of 2023 (2022: 8). No termination benefits were paid in the year (2022: nil).

##### (b) Staff Short-Term Benefits

	2023 €	2022 €
Basic pay	439,885	418,965
Overtime	-	-
Allowances	-	-
<b>Total</b>	<b>439,885</b>	<b>418,965</b>

##### (c) Key Management Personnel

Key management personnel in the Fiscal Council consists of the Chief Economist/Head of Secretariat and the Chairperson and other members of the Council. The total value of employee benefits for key management personnel is set out below:

#### Chief Economist/Head of Secretariat

	2023 €	2022 €
Salary	113,081	102,494
Allowances	-	-
Termination benefits	-	-
Health insurance	-	-
<b>Total</b>	<b>113,081</b>	<b>102,494</b>

The current Chief Economist/Head of Secretariat is a member of the Single Public Service Pension Scheme and their entitlements in that regard do not extend beyond the terms of that scheme.

## Council Members

Fees and expenses incurred by the Council members amounted to €49,323 (2022: €45,076). For a breakdown of the fees and expenses paid to Council Members, please refer to [note 4](#). Additionally, fees were paid to the employers of two Council members in 2023; see [note 5](#).

### 4. Council Members' Fees and Expenses

Council members' fees payable are sanctioned by the Minister for Finance and are set by the Department of Public Expenditure, NDP Delivery and Reform: €20,520 for the Chair and €11,970 for other Council members. Fees incurred in 2023 totalled €62,415 (2022: €68,400). Expenses incurred by Council Members amounted to €9,138 (2022: €9,166). These mainly reflect travel and subsistence costs incurred by international and non-Dublin based members attending Council meetings in Dublin.

#### Council Members' fees and travel expenses

Council Member	Fees 2023 (€)	Travel Expenses 2023 (€)	Total 2023 (€)	Fees 2022 (€)	Travel Expenses 2022 (€)	Total 2022 (€)
*Sebastian Barnes (Chairperson (Jan-Jun 2023)) <sup>1</sup>	See <a href="#">Note 5</a>	3,349	3,349	See <a href="#">Note 5</a>	5,240	5,240
Dawn Holland	11,970	2,356	14,326	11,970	2,056	14,026
**Prof Michael McMahon (Acting Chairperson )Jul-Dec 2023))	16,245	2,731	18,976	11,970	1,870	13,840
***Dr Adele Bergin <sup>1</sup>	See <a href="#">Note 5</a>	–	–	See <a href="#">Note 5</a>	–	–
Alessandro Giustiniani	11,970	702	12,672	11,970	-	11,970
<b>Total</b>	<b>40,185</b>	<b>9,138</b>	<b>49,323</b>	<b>35,910</b>	<b>9,166</b>	<b>45,076</b>

<sup>1</sup>As per [Note 5](#) fees payable to Mr Barnes are directed to his full-time employer, the OECD, as compensation for time spent on Council's business in the period 1 January 2023 to 30 June 2023. Fees payable to Dr Adele Bergin are directed to her full-time employer, the ESRI, as compensation for time spent on Council's business in 2023.

\*S Barnes stepped down as Chairperson and Council Member effective 30 June 2023;

\*\*M McMahon was Vice Chairperson and served as Acting Chairperson effective 1 July 2023 and was formally appointed by the Minister as Acting Chairperson on 5 July 2023;

\*\*\*A Bergin was appointed Vice Chairperson by the Council effective 1 July 2023.

While other members' travel expenses relate to meetings in Dublin, the Chairperson/Acting Chairperson's travel expenses relate to press conferences, government events such as the National Economic Dialogue, meetings of the European Commission, meetings of the Network of EU Independent Fiscal Institutions (EU IFIs), and meetings of the OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions.

Sebastian Barnes resides in France; Dr Adele Bergin resides in Ireland; Alessandro Giustiniani resides in Italy and Dawn Holland and Dr Michael McMahon reside in the United Kingdom.

The Revenue Commissioners have clarified that tax is not payable on expenses based on civil service rates paid to Council members.

## 5. Payments to International and Irish Public Bodies

Due to the time commitment necessary to fulfil the functions of the Council, Department of Finance-approved fees are paid to the employer where the Chairperson or other Council members are employed by public sector bodies or international bodies of which Ireland is a member.

In 2023, €10,260 was payable to OECD in respect of Mr Sebastian Barnes for the six month period January-June 2023, €11,970 was payable to the ESRI in respect of Dr Adele Bergin.

	2023 €	2022 €
OECD	10,260	20,520
ESRI	11,970	11,970
<b>Total</b>	<b>22,230</b>	<b>32,490</b>

## 6. Administration Expenses

	2023 €	2022 €
ESRI Administration fee <sup>i</sup>	127,945	125,864
Travel Costs of Staff	6,958	3,303
Professional Fees <sup>ii</sup>	15,030	14,803
Computer Software	38,685	35,817
Computer Hardware	846	658
PHD Fees	6,167	-
Staff Training	6,023	7,198
Meeting Costs	321	125
Report Production	1,251	1,160
C&AG Audit Fee	10,000	10,000
Other Costs	13,223	9,574
Depreciation	2,808	3,987
<b>Total</b>	<b>229,257</b>	<b>212,489</b>

<sup>i</sup> The ESRI Administration fee includes a charge, on a pro rata basis, for support services provided by the ESRI which include Office Facilities, Accounts, IT, Reception and other corporate services.

<sup>ii</sup> Included in Professional Fees is an amount of €1,845 (2022: €1,845) payable to the external member of the Audit and Risk Committee for his work on the committee. This fee was approved by the Council in February 2021.

## 7. Tangible Assets

	Computer Equipment 2023 €	Fixtures & Fittings 2023 €	Total 2023 €
<b>Cost:</b>			
At beginning of year	27,590	2,215	29,805
Additions	-	-	-
At end of year	27,590	2,215	29,805
<b>Accumulated Depreciation:</b>			
At beginning of year	23,707	443	24,150
Provided in year	2,365	443	2,808
At end of year	26,072	886	26,958
Net book value at end of year	1,518	1,329	2,847
Net book value at beginning of year	3,883	1,772	5,655

## 8. Cash and Cash Equivalents

	2023 €	2022 €
Current Accounts	125,552	125,735

At 31 December 2023, €126,392 (2022: €126,695) was due for payment to creditors of the Fiscal Council- See [Note 10](#).

## 9. Debtors and prepayments

	2023 €	2022 €
Debtors and pre-paid expenses	18,912	12,328

## 10. Sundry creditors and accrued expenses

	2023 €	2022 €
Payroll Taxes	10,854	9,848
Creditors	32,025	27,304
Withholding Tax	519	-
Accrued Expenses <sup>i,ii</sup>	82,994	89,543
<b>Total Creditors</b>	<b>126,392</b>	<b>126,695</b>

<sup>i</sup> Includes an amount of €31,713 (2022: €32,280) due to the ESRI in relation to services provided under a shared service agreement.

<sup>ii</sup> Includes an amount of €3,129 (2022: €3,389) in relation to the cost of annual leave untaken at 31 December 2023 as measured under FRS 102.



## 11. Taxation

The Fiscal Council is exempted from liability to corporation tax under Section 227 Schedule 4 of the Taxes Consolidation Act 1997 (as amended by subsequent Acts up to and including the Finance Act 2017).

## 12. Commitments — Capital and Others

There were no capital commitments at the reporting date.

## 13. Contingent Liabilities

The Council Members were not aware of any material contingent liabilities at the reporting date.

## 14. Capital Account

The Capital Account represents the amount of funding used to purchase fixed assets reduced by the amount amortised in line with depreciation on the related assets.

### Capital Account

	2023 €	2022 €
Unamortised funding at 1 January	5,655	2,873
<b>Income and Expenditure Account Transfers</b>		
Funding to acquire fixed assets	-	6,769
Amortisation in year	(2,808)	(3,987)
Transfer (from)/to Capital Account	(2,808)	2,782
Balance at 31 December	2,847	5,655

## 15. Council Members' Interests

The Council has adopted procedures in accordance with the guidelines issued by the Department of Finance in relation to the disclosure of interests by Council Members and these procedures have been adhered to in the year. In cases where a conflict of interest has been declared, Council members do not participate in or attend Board discussions relating to the matters in question.

## 16. Related Party Disclosures

### Key Management Personnel

Key Management personnel in the Fiscal Council consist of the Chief Economist/Head of Secretariat and the Chairperson and other members of the Council. Total compensation paid to key management personnel, including Council members' fees and expenses, amounted to €162,404 (2022: €147,570). For a breakdown of the fees and expenses paid to key management personnel, please refer to [Note 3\(c\)](#), [Note 4](#) and [Note 5](#)

The following amounts are included in creditors/accruals total of €126,392 ([Note 10](#)):  
ESRI re Adele Bergin Time buy out €11,970.

## Department of Finance

The Minister for Finance appoints the members of the Council in accordance with section 7 of the Fiscal Responsibility Act 2012.

### ESRI

The ESRI provides office accommodation and building services on a pro rata basis and support services relating primarily to accounts, IT, and other corporate services. Professor Alan Barrett was a member of the Council from 2011 until May 2015 and is currently Director of the ESRI. Dr Martina Lawless was a member of the Council from January 2017 to December 2020 and is an employee of the ESRI. Dr Adele Bergin was appointed as a Member of the Council from January 2021 and is an employee of the ESRI.

The following amounts are included in creditors/accruals total of €126,392 ([Note 10](#)): ESRI re Administration fee €31,713.

## 17. Retirement Benefit Costs

The results set out below are based on an actuarial valuation of the retirement benefit liabilities in respect of Council staff as at 31 December 2023 carried out by a qualified independent actuary for the purpose of FRS 102. There are currently no retired members.

### (a) Analysis of total retirement benefit costs charged to the Statement of Income and Expenditure

The retirement benefit costs for the year are set out below.

	2023 €	2022 €
Current Service cost	78,000	153,000
Interest cost	27,000	15,000
Less: Employee contributions	(22,377)	(21,038)
	82,623	146,962

Single Scheme members' contributions are paid over to the Department of Public Expenditure, NDP Delivery and Reform and totalled €17,656 in 2023 (2022: €16,542). Employee contributions under the model scheme amounted to €4,721 in the year and are retained pending approval of the scheme and are included in creditors at year-end. Total retained at 31 December 2023 €32,025 (2022: €27,304).

The description of the scheme at (e) explains why a deferred retirement benefit liability has arisen in the year.

## (b) Analysis of the movement in retirement benefit obligation during the financial year

	2023 €	2022 €
<b>Obligation at the beginning of the year</b>	679,000	1,117,000
Current service cost	78,000	153,000
Interest cost	27,000	15,000
Actuarial loss/(gain)	165,000	(606,000)
Benefits paid in the year	-	-
<b>Obligation at the end of the year</b>	949,000	679,000

## (c) Deferred retirement benefit funding

The Fiscal Council recognises these amounts as an asset corresponding to the unfunded deferred liability for retirement benefits on the basis that these amounts will be received from the Central Fund as and when the pension liabilities fall due for payment.

The deferred funding for retirement benefits recognised in the Statement of Income and Expenditure for the year ended 31 December 2023 is €105,000 (2022: €168,000).

The movement for deferred funding recognised in the Statement of Comprehensive Income for the year ended 31 December 2023 is €165,000 (2022: (€606,000)).

The deferred funding asset for retirement benefits at 31 December 2023 amounts to €949,000 (2022: €679,000).

## (d) History of defined retirement benefit obligations

	2023 €	2022 €
Defined retirement benefit obligations	949,000	679,000

## (e) Description of Scheme and Actuarial Assumptions

The Fiscal Council operates within the Single Public Service Pension Scheme (Single Scheme) which is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The Scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration and spouses' and children's pensions. The minimum retirement age is 66 years (rising in line with State pension age changes). It includes an actuarially reduced early retirement facility from the age of 55. Pensions in payment increase in line with the consumer price index.

The Single Scheme is an unfunded defined benefit scheme which will be financed on a pay as you go basis. A standard vesting period of two years must be served before public servants become eligible for retirement benefits from the Scheme. Five staff members have reached the two-year eligibility period threshold. Therefore, a retirement benefit liability arising from the Single Scheme exists at 31 December 2023.

One staff member is a member of a public service pension scheme that predates the Single Scheme. This scheme is a defined-benefit superannuation scheme established under section 8 of the National Treasury Management Agency Act, 1990.

The retirement benefit liability at 31 December 2023 amounted to €949,000 (2022: €679,000)

Liabilities shown are computed using the Projected Unit Credit method. The objective under this method is to expense each participant's benefits under the Scheme as they accrue; taking into consideration future salary increases and the Scheme's benefit allocation formula. Thus, the total pension, to which each participant is expected to become entitled, is broken down into units, each associated with a year of past or future credited service. The main financial assumptions used are set out below:

	2023	2022
Discount rate	3.15% p.a.	3.50% p.a.
Rate of increase in salaries	3.75% p.a.	4.00% p.a.
Rate of increase in pensions	3.25% p.a.	3.50% p.a.
Inflation	2.25% p.a.	2.50% p.a.

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (currently age 66, rising in line with State pension age changes). The table below shows the average life expectancy for members attaining age 65 in 2023 and 2043.

Year of attaining age 65	2023	2043
Life expectancy – male	22.0 years	24.3 years
Life expectancy – female	24.4 years	26.4 years

## 18. Events after the Reporting date

There were no events after the reporting date that would require adjustment to or disclosure in the Financial Statements.

## 19. Approval of Financial Statements

The Financial Statements were approved by the Council on 2<sup>nd</sup> August 2024.