

BOX E: THE IRISH FISCAL ADVISORY COUNCIL

The Fiscal Responsibility Act (FRA) establishes the Irish Fiscal Advisory Council on a statutory basis, a year and half after the Council started operation.

The Act requires the Council to:

- Assess and monitor the forecasts produced by the Department of Finance.
- Monitor and, at least once a year, provide an assessment of compliance with the Budgetary Rule. The Council would be required to provide an assessment under the Correction Mechanism if this rule was not met.
- Assess whether the fiscal stance of the Government is conducive to prudent economic and budgetary management, including by reference to the *Stability and Growth Pact (SGP)*.

The Act defines the Council as an independent body. To support its independence:

- Council members are appointed on the basis of their expertise for fixed terms of office of four years (after a transitional period). A member may not serve for more than two consecutive terms.
- Council members can only be removed from office on limited grounds related to incapacity or misbehaviour and a resolution of Dáil Éireann is needed (unless a Council member is disqualified from serving).
- Council members cannot hold or stand for political office.

The Council is funded from the Central Fund, meaning that its budget is outside voted expenditure.

Council members are appointed by the Minister for Finance. The Council determines its budget within a ceiling of €800,000 (inflation-indexed) established in the *FRA*. The Council is accountable to Dáil Éireann for the use of its resources and to the Comptroller and Auditor General for audit. The Council will publish an Annual Report. Additional details about the Council and its operation can be found on www.fiscalcouncil.ie