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Budgetary Oversight of Parliamentary Corporate Bodies: A comparative perspective

This briefing paper, commissioned by the Assembly's Audit Committee (the "Committee"), provides comparative research on the Committee and its counterparts located in the United Kingdom, Wales, Scotland, and the Republic of Ireland. It offers a comparison of key oversight and procedural mechanisms for scrutiny of parliamentary corporate body budgets. The paper aims to help inform the Committee in its discharge of duties associated with the Northern Ireland Assembly Commission's budget.

This information is provided to MLAs in support of their Assembly duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice or as a substitute for it.

Introduction

In the Northern Ireland Assembly (the “Assembly”), the Audit Committee (the “Committee”) is empowered to scrutinise the budget of the Northern Ireland Assembly Commission (“NIAC”). To further expand its knowledge and understanding of the NIAC budget, the Committee commissioned the Research and Information Service (“RaISe”), to identify key oversight and procedural mechanisms that enable scrutiny of the NIAC budget and include a comparative perspective.

At Section 1, this briefing paper summarises the NIAC’s legislative basis, role and budget. Section 2 then examines the role of the Committee and its oversight roles and responsibilities relating to the NIAC budget. To provide a comparative perspective, Section 3 examines key oversight and procedural mechanisms that enable scrutiny of parliamentary corporate body budgets in the United Kingdom, i.e. at the national level and the devolved levels in Scotland and Wales, followed by the Republic of Ireland (“ROI”) national level. Throughout, key potential issues for consideration are identified, seeking to support the Committee in the future exercise of its advisory and scrutiny functions.

1 NIAC – Overview

This section provides an overview of the NIAC, including explanation of its basis, role and (corporate) budget.

1.1 NIAC – Basis & Role

The NIAC is the Assembly’s body corporate. It has the responsibility, under section 40(4) of the Northern Ireland Act 1998 (the “1998 Act”) to provide the Assembly, or to ensure that the Assembly is provided with the property, staff and services required for the Assembly to carry out its work.¹

Given the Assembly’s constitutional role as the legislature for Northern Ireland, the NIAC does not develop “Programme for Government” targets; that is the responsibility of the Executive. However, the NIAC is responsible for developing and agreeing an Assembly Corporate Strategy and related Corporate Plans, to help the Assembly in meeting its statutory functions under section 40(4) of the 1998 Act, as specified above.²

In addition, sections 47 and 48 of the 1998 Act states that the Assembly shall pay to Members of the Legislative Assembly (MLAs) (and former MLAs), such salaries, and may pay such allowances, as may from time to time be determined.³

Central to the application of those sections is the Independent Financial Review Panel (the “Panel”); established under section of the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 (the “2011 Act”). Section 2, Parts A and B, of the 2011 Act specifies the Panel functions as making determinations regarding:

¹ <https://www.legislation.gov.uk/ukpga/1998/47/section/40>

² <http://www.niassembly.gov.uk/globalassets/documents/committees/2017-2022/audit/reports/session-2019-2020/audit-committee-report-nia-10-17-22.pdf>

³ <https://www.legislation.gov.uk/ukpga/1998/47/part/IV/crossheading/remuneration-and-pensions>

- Salaries and allowances payable to Members of the Legislative Assembly (MLAs) under section 47 of the 1998 Act and;
- The pensions, gratuities, and allowances payable under section 48 of that Act.⁴

The NIAC administers the payment of those salaries and allowances. The NIAC's budget therefore includes the disbursement of MLAs' salaries, allowances and expenses. Those are described as the necessary costs for the provision of Assembly plenary and committee facilities. In addition, it includes the salary and pension costs for the staffing resources needed to provide all services required by MLAs and Assembly Secretariat.

1.2 NIAC - Budget

In relation to the NIAC budget, the Assembly votes on resources allocated to the NIAC through the prevailing Main Estimates and Supplementary Estimates processes. Those processes are part of the "Northern Ireland Public Finance Framework" under devolution, i.e. the financial arrangements underpinning devolved governance in Northern Ireland. It is through those processes that the Assembly receives its budget allocation each financial year and address in-year financial processes, which are explained below at sub-section 2.2 of this paper and illustrated at Appendix 1.⁵

The Assembly's constitutional independence from the Executive is reflected in the methodology underpinning the budget setting process for the NIAC; as illustrated in Appendix 1, and later discussed in sub-section 2.2 of this paper.

As noted in the recent RaISe briefing paper, entitled "In-year Audit Committee Scrutiny: A Comparative Perspective", dated 20 November 2020 (NIAR 282-20), the composition of the NIAC budget is unique. This is because its budget consists of both controllable spend and uncontrollable spend, with a significant portion of the NIAC budget made up of MLAs' costs and the remaining portion attributed to NIAC-incurred running costs.⁶

Since the costs for MLAs are established under legislation, those costs cannot be controlled. Within the controllable portion of the NIAC budget, the NIAC has discretion to vary allocations between sections through "virement", subject to certain controls.

Virement is a public finance term. It relates to the reallocation of provision in the Estimates, without the need for a Supplementary Estimate to obtain parliamentary authority. Virement reallocates underspends on one part of the Estimate, to cover overspends on another part of the Estimate. It should be noted, however, that virement does not entail any movement in budgetary position.⁷

Some of the costs associated with MLAs are variable, which can result in an underspend or overspend in the uncontrolled portion of the NIAC budget. Variable costs include:

- Statutory redundancy payments for MLAs' staff;
- Costs associated with MLAs retiring through ill-health;
- Costs that are claimed by MLAs as a result of disability adjustments; or,

⁴ <https://www.legislation.gov.uk/nia/2011/17/contents/2011-03-29>

⁵ Northern Ireland Assembly Commission Briefing to provide an update to the Audit Committee on the Commission's Budget for 2020-21

⁶ <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2017-2022/2020/audit/7020.pdf>

⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/220744/estimates_manual_july2011.pdf

- Underspend by MLAs (i.e. not utilising the full amount of funding available to them in any given year.)⁸

In theory, an overspend of this portion of the NIAC budget, or even an overall reduction to the NIAC budget, would result in the need for a reduction in the controllable elements of the NIAC budget, i.e. NIAC running costs.

In relation to the amount awarded to the NIAC Budget for year 2020-21, the total presented for resource departmental expenditure limit (DEL – Departmental Expenditure Limit) is £49.3 million. That figure is split between non-ring-fenced resource DEL of £45.8 million and £3.5 million for ring-fenced resource DEL. There is also a budget proposal of £1.7 million for capital expenditure.⁹

2. The Audit Committee Role and Oversight

This section explores the role and functions of the Assembly’s Audit Committee; followed by an examination of the Committee’s remit in relation to oversight of the NIAC budget.

2.1 The Audit Committee

The Audit Committee (the Committee) is an Assembly “Standing Committee”; established in accordance with paragraph 10 of Strand One of the “1998 Belfast/Good Friday Agreement” and under Assembly Standing Orders 49 and 58. The Committee has 5 members, including a Chairperson, and a Deputy Chairperson; and has a quorum of 2.¹⁰

The Committee’s roles and responsibilities were outlined in the recent RaISe briefing paper entitled “Assembly’s Audit Committee and its GB counterparts: A comparative perspective” and dated 5 May 2020 (NIAR 60-20).¹¹ Some of the key functions of the Committee are outlined below:

- Agree, in place of the Department of Finance (DoF), the estimates of the Northern Ireland Audit Office (NIAO), and lay them before the Assembly, as set out in Section 66(1) of the Northern Ireland Act 1998;
- Table a motion for a resolution of the Assembly relating to the Comptroller and Auditor General of Northern Ireland (C&AGNI) salary payable under Article 4(1) of the Audit (Northern Ireland) Order 1987;
- Exercise the functions mentioned in sub-paragraphs 18 (2) and (4) of Schedule 1 to the Public Services Ombudsman Act (Northern Ireland) 2016, in respect of the Northern Ireland Public Services Ombudsman (NIPSO), i.e. agree the estimates of the Northern Ireland Public Services Ombudsman (NIPSO), and lay them before the Assembly; and,
- May exercise the power in Section 44 (1) of the Northern Ireland Act 1998, which is the power to call for witnesses and documents.¹²

⁸ <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2017-2022/2020/audit/7020.pdf>

⁹ <https://www.theyworkforyou.com/ni/?id=2021-03-02.2.1>

¹⁰ <http://archive.niassembly.gov.uk/audit/reports/1-00r.htm>

¹¹ <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2017-2022/2020/audit/4520.pdf>

¹² <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2017-2022/2020/audit/4520.pdf>

The Committee has a number of written agreements in place, including Memoranda of Understandings (MOUs) with: NIPSO¹³; NIAO¹⁴; and, NIAC¹⁵. The focus of this paper is in relation to the Committee's oversight of the NIAC, and in particular oversight and scrutiny of the NIAC budget.

2.2 Oversight of NIAC Budget

The Committee has a role in the oversight and scrutiny of the budget of the NIAC. Their function was documented in the MOU, which set out the Committee's role in overseeing the development of the NIAC draft budget and any in-year amendments to the budget.¹⁶ In essence, the MOU provides that: the NIAC will prepare its draft budget; the budget then will be scrutinised by the Committee; and the Committee will prepare a report for consideration by the Assembly. Once approved by the Assembly, the budget is incorporated, without amendment, into any budget document prepared by the Executive.

The NIAC budget setting process is outlined more fully in Table 1 below, as compiled by RaISe, as well as illustrated in Appendix 1 to this paper:

Table 1: NIAC Budget Setting Process

Oversight	Detail	Procedure	Outputs
Of the NIAC Draft Budget	Preparation of the draft budget: The Northern Ireland Assembly Commission (the "NIAC") prepares a draft budget for the period of the Executive's Budget as notified by the Department of Finance (DoF). This budget is established in advance of the timetable established by DoF for Executive departments.	<p>As part of the development of the NIAC's draft budget, the Commission actively obtains data and projections from the DoF relating to the wider outlook for the Northern Ireland Block Grant for the entirety of the budget period;</p> <p>The NIAC, taking account of the DoF projections, proposes its draft budget and presents it to the Audit Committee. At the same time, the NIAC also provides the draft budget figures to the DoF;</p> <p>In advance of laying that report, the NIAC attends an Audit Committee meeting(s) to give evidence on its draft budget;</p> <p>In advance of laying that report, the Audit Committee receives written evidence from the DoF (cleared in advance by the Finance Minister) on the wider outlook for the Northern</p>	<p>Initial NIAC Draft Budget</p> <p>Committee Meeting Minutes</p>

¹³ <http://www.niassembly.gov.uk/assembly-business/committees/2017-2022/audit-committee/memoranda-of-understanding/northern-ireland-public-service-ombudsman/>

¹⁴ <http://www.niassembly.gov.uk/assembly-business/committees/2017-2022/audit-committee/memoranda-of-understanding/northern-ireland-audit-office/>

¹⁵ <http://www.niassembly.gov.uk/assembly-business/committees/2017-2022/audit-committee/memoranda-of-understanding/nia-commission-budget-setting-process/>

¹⁶ <http://www.niassembly.gov.uk/assembly-business/committees/2017-2022/audit-committee/memoranda-of-understanding/nia-commission-budget-setting-process/>

		<p>Ireland Block Grant and the DoF view of the NIAC's draft budget. In considering the NIAC's draft budget, the Committee should have due regard to the evidence provided by the DoF;</p> <p>Evidence to the Committee from the DoF shall be included in the Committee's report to the Assembly;</p> <p>The Committee prepares and lays its report.</p>	<p>Written evidence from DoF</p> <p>Audit Committee's Report to the Assembly on NIAC budget</p>
Finalisation of Budget	<p>The NIAC prepares its final budget, taking on board the recommendations of the Audit Committee, and submits a motion to the Business Committee.</p>	<p>The Assembly as a whole debates the final budget in plenary, before voting on the motion (without amendment) that it be <i>"agreed and incorporated into the Executive's Budget and the subsequent Main Estimates"</i>;</p> <p>The vote of the Assembly in respect of the NIAC's budget is reflected, without amendment, in the budget prepared by the Executive;</p> <p>There is no role for the Audit Committee at this point.</p>	NIAC Final Budget
In Year Amendments to Budgets	<p>On an in-year basis, financial controls are established, which are aligned to the arrangements for setting the initial budget.</p>	<p>The NIAC prepares and submits its contribution to Monitoring Rounds and the Spring Supplementary Estimate</p> <p>The submission of the NIAC's contribution to Monitoring Rounds and the Spring Supplementary Estimate are subject to agreed thresholds between the NIAC and the Audit Committee. If those thresholds are not exceeded, the NIAC will not seek the Audit Committee's view on its in-year position.¹⁷ It is proposed that the Audit Committee be consulted only for additional in-year adjustment of</p>	

¹⁷ <http://www.niassembly.gov.uk/assembly-business/committees/2017-2022/audit-committee/memoranda-of-understanding/nia-commission-budget-setting-process/>

		plus or minus 10% of the NIAC agreed budget for a given year. ¹⁸	
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3 A Comparative Perspective: Oversight and Procedural Mechanisms for scrutiny of parliamentary corporate body budgets

This section identifies counterparts of the NIAC, i.e. parliamentary corporate bodies in the United Kingdom (UK), i.e. at the national level and the devolved levels in Scotland and Wales, followed by the Republic of Ireland (RoI) national level. To do so, RaISe undertook research, contacting research services and scrutiny units in those legislatures, as well as undertaking its own searches and drawing on its past work, to collect and compile data on the oversight and procedural mechanisms used to scrutinise comparable parliamentary corporate body budgets.

The NIAC counterparts are discussed below in the following order:

3.1 UK – House of Commons Commission

3.2 Wales - The Senedd Commission

3.3 Scotland - Scottish Parliamentary Corporate Body

3.4 RoI - The Houses of the Oireachtas Commission

For each, the committee(s) responsible for budgetary oversight is identified and an overview of the arrangements in place for budgetary oversight are then presented. At the outset, it is important to note that management and oversight of corporate budgets varies in each jurisdiction.

3.1 UK – House of Commons Commission

The House of Commons Commission is responsible for the administration and services of the House of Commons, including the maintenance of the Palace of Westminster and the rest of the Parliamentary Estate.

Once a year, the Commission presents to the House for its approval the “Estimate for House of Commons: Administration”, covering spending on the administration and services of the House for the financial year. The Commission meets approximately once a month in Speaker’s House.

The Commission provides the non-executive governance of the House by Members, but it does not manage day to day operations. Those are delegated to the Commons Executive Board.

The Commons Executive Board’s main delegated responsibilities are delivery of the strategy, as agreed by the Commission, and ensuring that the terms and conditions of staff are consistent with the Commission’s statutory duties.¹⁹

Unlike the NIAC, the House of Commons Commission is not responsible for expenditure on Members’ salaries, pensions and allowances. Members’ pensions are considered by the

¹⁸ <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2017-2022/2020/audit/7020.pdf>

¹⁹ <https://www.parliament.uk/business/commons/governance-of-the-house-of-commons/house-governance-structure/>

Members Estimate Committee (MEC), which has the same membership as the Commission. Salaries and allowances are considered by the Independent Parliamentary Standards Authority (IPSA), the independent body that regulates and administers the business costs, and decides the pay and pensions of the 650 elected MPs and their staff in the UK.²⁰

Two Estimates cover the direct expenditure of the House of Commons: the “Administration Estimate”; and, the “Members Estimate”. The Administration Estimate covers: the administrative costs of running the House of Commons as an institution; the staff costs of the House Service; the maintenance costs of the Estate; the running costs of the Chamber and associated activities; and the travel costs of Members and officers undertaking parliamentary business such as select committee work.²¹

The Members Estimate covers: expenditure arising from the Exchequer contribution to the Parliamentary Contribution Pension Fund (PCPF); payroll costs of Members appointed to specific parliamentary duties; financial assistance to Opposition parties to support them in the discharge of their Parliamentary or representative functions; grants and grants-in-aid to organisations which promote the House of Commons' objectives; and, other general costs and non-cash items.²²

The MEC, which has the same Member of Parliament (MP) membership as the House of Commons Commission, was established under the Houses of Commons Standing Order 152D, to provide oversight of the House of Commons Members Estimate.²³

Items within the ambit of that Estimate include:

- the Exchequer contribution towards the cost of pensions for Members of Parliament
- the provision of ICT equipment to Members
- financial assistance to Opposition parties (Short Money)
- an Exchequer contribution to the Members' Fund
- provision of some training for Members and their staff
- Members' allowance of pre-paid envelopes and stationery
- payment for insurance

The functions of the MEC include:

- agreeing the size of the Members Estimate before it is laid before the House by the Treasury
- codifying and keeping under review the provisions of the Resolutions of the House relating to expenditure charged to the Estimate
- modifying those provisions in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances

Oversight of the Commission's budget is the remit of the House of Commons' Finance Committee, which was established under Standing Order 144.²⁴ The Finance Committee

²⁰ <https://www.theipsa.org.uk/>

²¹ https://www.parliament.uk/globalassets/documents/commons-expenditure/member-annual-accounts/members_annual_accounts_and_audit_committee_annual_report_2018_19.pdf

²² https://www.parliament.uk/globalassets/documents/commons-expenditure/member-annual-accounts/members_annual_accounts_and_audit_committee_annual_report_2018_19.pdf

²³ <https://publications.parliament.uk/pa/cm201314/cmstords/900/body.htm#152D>

²⁴ <https://publications.parliament.uk/pa/cm201314/cmstords/900/body.htm#152D>

considers expenditure on services for the House of Commons, and has particular responsibility for the preparation and detailed scrutiny of the House's budgets.²⁵

The Committee has eleven members, including the Chairman of Ways and Means. It is chaired by a member of the House of Commons Commission. It meets approximately once a month when the House is sitting. Meetings are regularly held in private and the Committee is assisted by the Director of Finance and other House staff as appropriate.

Remit and Oversight Procedures of the Finance Committee include:

- Advising the Commission on a remit for each year's financial planning round
- Developing financial plans for future years for both the Administration and Members Estimates, including both resource and capital elements.
- Preparing draft Estimates for consideration by the Commission and the Members Estimate Committee
- Monitoring spending against budgets during the year (quarterly):
 - Proposals for significant changes in spending or revenue-raising not covered by the financial plans for future years, including proposals from other Committees or from the Government
 - Progress of major ongoing programmes and projects identified by the Committee from the financial plans for future years [quarterly]
 - Specific areas of spending, such as estates/works, security, catering, grants, and works of art budget. [annually or termly]
- Considering adequacy of financial information for determining priorities
- Progressing towards the House's environmental targets
- Addressing any other matters referred by the Commission²⁶

3.2 Wales – The Senedd Commission

The Senedd Commission, previously known as the “National Assembly for Wales Commission”, was established by section 27 of the Government of Wales Act 2006 (c.32). It has equivalent functions to the NIAC. Under section 27(5) of that Act, the Senedd Commission must:

- (a) provide to the Assembly; or,
- (b) ensure that the Assembly is provided with, the property, staff and services required for the Assembly's purpose.²⁷

In Wales, the Commission's budget is scrutinised by the Finance Committee; while the annual accounts and annual report are scrutinised by the Public Accounts Committee. In May 2019, the Finance Committee issued a Statement of Principles to bodies directly funded from the Welsh Consolidated Fund (directly funded bodies (DFB)), asking them to consider when formulating budget requests. In setting their budgets, those bodies (DFBs) are expected to follow principles set out for all such bodies.²⁸

Similar to the NIAC budget, the Senedd Commission must lay its draft budget for the next financial year before the Senedd, to allow scrutiny of its proposals by the Finance Committee. After the Finance Committee has completed its scrutiny, the Commission

²⁵ <https://old.parliament.uk/business/committees/committees-a-z/commons-select/finance-committee/role/>

²⁶ <https://old.parliament.uk/business/committees/committees-a-z/commons-select/finance-committee/role/>

²⁷ <http://www.niassembly.gov.uk/globalassets/documents/raise/publications/2011/finance-and-personnel/3511.pdf>

²⁸ <https://business.senedd.wales/documents/s88393/Statement%20of%20Principles%20-%20May%202019.pdf>

publishes a final budget to be debated in plenary, before a vote for approval by the whole Senedd.²⁹

A further role for the Finance Committee is the oversight of supplementary budgets. Supplementary budgets for directly funded bodies form part of a Welsh Government Supplementary budget. The Welsh Government have an informal arrangement where any proposed supplementary budgets by directly funded bodies are first notified to and considered by the Finance Committee. This occurs before the Welsh Government lay their supplementary budget. The Welsh Government hope to formalise this function in Standing Orders in the future.

Officials in the Welsh Government advised RaISe that the biggest change in the last parliamentary term was the use of underspends in Members' pay and expenses budgets.³⁰ The Remuneration Board prepares a "Determination", which outlines the salaries and levels of financial support available to Members. During the start of the Fifth Senedd, the Commission had chosen to budget allowing for the maximum allowance for each Member/Party. That led to a significant underspend against that budget associated with Members' pay and allowances. That underspend was utilised by the Commission to fund in-year investment priorities.³¹

The Finance Committee had concerns over the above underspend practise. It found that the practice reduced the transparency around the total funding available to the Commission, and as such, it conducted an inquiry into the Commission's use of the Remuneration Board's Determination underspend. The result of this inquiry led to the separation of funding for the Commission and resources linked to the Remuneration Board Determination. Underspends against the Remuneration Board Determination are now returned to the WCF, so can be reallocated by the Welsh Government, rather than spent by the Commission itself. That inquiry report, entitled "The Assembly Commission's use of the Remuneration Board's Determination Underspend" and dated May 2018, can be found online, using the link provided in the below footnote.³²

Welsh Government officials also noted that Wales are in the pre-election period; therefore, the next Finance Committee could take a different approach. However, the Finance Committee's legacy report does recommend that the responsible committee of the Sixth Senedd undertakes further work to consider Standing Orders in relation to the review of supplementary budgets. They also recommend that the responsible committee of the Sixth Senedd continues to regularly review the Statement of Principles for directly funded bodies.³³

3.3 Scotland – The Scottish Parliamentary Corporate Body

The Scottish Parliamentary Corporate Body (SPCB) makes sure that the Scottish Parliament has everything it needs to run and provides support to Members of the Scottish Parliament (MSPs), to enable them to carry out their parliamentary duties. That provision includes property, services and staff. The SPCB is a statutory body provided for by the Scotland Act 1998; consisting of at least 5 members – the Presiding Officer, who chairs the Body, and at least 4 Members elected by the Parliament.³⁴

The Finance and Constitution Committee is the oversight body for the Scottish Parliamentary Corporate Body's annual budget process. The Committee's remit includes:

²⁹ <http://business.senedd.wales/mglIssueHistoryHome.aspx?IId=15733>

³⁰ Email correspondence between RaISe and Welsh Government Officials, 15 April 2021

³¹ Email correspondence between RaISe and Welsh Government Officials, 15 April 2021

³² <https://senedd.wales/laid%20documents/cr-ld11528/cr-ld11528-e.pdf>

³³ <https://senedd.wales/laid%20documents/cr-ld11528/cr-ld11528-e.pdf>

³⁴ <https://archive2021.parliament.scot/SPCB/ParliamentaryBodies.pdf>

- to consider and report on proposals for, or budgets of, public revenue or expenditure or proposals for the making of a Scottish rate resolution; and,
- to consider any report made by a committee setting out proposals concerning public revenue or expenditure; budget bills; any other matter relating to or affecting the revenue or expenditure of the Scottish Administration or other monies payable into or expenditure payable out of the Scottish Consolidated Fund; and, constitutional matters falling within the responsibility of the Cabinet Secretary for the Constitution, Europe and External Affairs.³⁵

There is a written agreement between the Finance and Constitution Committee and the SPCB on the budget process.³⁶ In short, accurate information about the spending plans of the SPCB is made available to the Committee and the Scottish Government at an early stage. The SPCB provides a budget to the Committee and to the Scottish Government, normally no later than the end of the first week in December. It also has agreed to keep both the Committee and the Scottish Government informed of any substantive changes to the Scottish Parliament's budget.

In order to assist the Committee's understanding of the expenditure plans, members of the SPCB, the Clerk and parliamentary staff provide information and give evidence to the Committee, when requested. The Finance and Constitution Committee considers and reports on the SPCB's budget as part of its wider budget scrutiny. It normally sets aside one Committee meeting per year to scrutinise the SPCB's budget. Its final expenditure proposals appear in the annual Budget Bill, which is voted upon by the Scottish Parliament.³⁷

3.4 ROI – Houses of the Oireachtas Commission

The Houses of the Oireachtas Commission is the corporate body that provides services for the Houses. It is in effect a corporate board made up of Houses' members and the Secretary General. It is chaired by the Ceann Comhairle. The Secretary General, who is also Clerk of the Dáil, is an *ex-officio* member. It has a Sub-Committee on Finance, which the Commission can and does refer financial issues to.³⁸

Its main function is to oversee the running of the Houses of the Oireachtas Service (the "Service"), i.e. the parliamentary administration the civil service body, which provides services to the Houses. The Service has a management board made up of senior officials with an external member.³⁹

The Commission's Budget is set through the legislative process. Every three years an amount is voted upon by the Houses to fund the Commission, and the services it is responsible for, for the next three years. This is done *via* the enactment of a Bill through what is largely the normal legislative process, with the exception of committee stage usually occurring in plenary, rather than in committee. Typically, the legislation is enacted quickly, i.e. over a few hours in both Houses. The Commission is then responsible for implementing the Budget.

No other Oireachtas Committees are involved in the preparation of the draft budget; therefore, no procedures exist between the Commission and them. The three-year budget is

³⁵ <https://archive2021.parliament.scot/parliamentarybusiness/CurrentCommittees/101359.aspx>

³⁶ https://archive2021.parliament.scot/S5_Finance/General%20Documents/Written_Agreement_between_FC_and_SPCB_final.pdf#:~:text=WRITTEN%20AGREEMENT%20BETWEEN%20THE%20FINANCE%20AND%20CONSTITUTION%20COMMITTEE,Corporate%20Body%20%28SPCB%29%2C%20in%20relation%20to%20the%20annual

³⁷ https://archive2021.parliament.scot/S5_Finance/General%20Documents/Written_Agreement_between_FC_and_SPCB_final.pdf

³⁸ <https://www.oireachtas.ie/en/how-parliament-is-run/houses-of-the-oireachtas-commission/>

³⁹ <https://www.oireachtas.ie/en/how-parliament-is-run/houses-of-the-oireachtas-service/>

negotiated between officials of the Houses and the Department of Public Expenditure and Reform. The Commission does not technically set its own overall budget; that is set by the Government through the proposed legislation. The Commission and the Ceann Comhairle are kept informed of the negotiations. The Commission has to sign-off on the proposed amount (as do the Minister and Government).

The Commission's role is to oversee expenditure legislated for under Section 4 (2) of the Houses of the Oireachtas Commission Act 2003. It is - in effect - the scrutiny body in terms of expenditure in-year; and it must also set the annual Estimate of the Commission, which must be noted by Dáil Éireann. The Chief Financial Officer of the Service presents the Estimates for discussion and approval to the Commission, and regularly updates the Commission on the in-year situation. The Commission must approve virements, i.e. moving money from one budget line to another (as explained earlier in this paper at subsection 1.2).

In terms of *ex-post* scrutiny, the Public Accounts Committee - like for all centrally funded bodies - provides for *ex-post* scrutiny of the Commission's annual budget after it is audited by the Comptroller and Auditor General. That scrutiny is based on the Annual Accounts included in the Houses' Annual Reports.⁴⁰

⁴⁰ https://data.oireachtas.ie/ie/oireachtas/corporate/reports/2020/2020-07-02_houses-of-the-oireachtas-commission-annual-report-2019_en.pdf p75 onwards

3.5 Budgetary Oversight of Parliamentary Corporate Bodies in the UK and ROI: Comparative Perspective

For ease of reference, RaISe compiled the below Table 2, drawing on the four previous subsections, to summarise key comparison areas across the five jurisdictions on budgetary oversight arrangements in UK and ROI parliamentary corporate bodies:

Table 2: Comparative Table of Parliamentary Corporate Bodies in UK and ROI

Legislature	NI Assembly (Devolved)	Welsh Senedd (Devolved)	Scottish Parliament (Devolved)	Westminster (National)	ROI (National)
Corporate Body	Northern Ireland Assembly Commission (NIAC)	Senedd Commission	Scottish Parliamentary Corporate Body (SPCB)	House of Commons Commission (The Commission is not responsible for expenditure on Members' salaries, pensions and allowances. This is the responsibility of Independent Parliamentary Standards Authority (IPSA) and the Members Estimate Committee)	Houses of the Oireachtas Commission
Committee responsibly for budget oversight	Audit Committee	Finance Committee	Finance and Constitution Committee	Finance Committee Members Estimate Committee (Oversight of oversight of the House of Commons Members Estimate)	Public Accounts Committee

<p>Budget Oversight Procedures:</p> <p>Preparation of Draft Budget</p>	<p>The NIAC proposes its draft annual budget and presents it to the Audit Committee.</p> <p>The NIAC attends an Audit Committee meeting(s) to give evidence on its draft budget;</p> <p>The Audit Committee receives written evidence from DoF on the wider outlook for the Northern Ireland Block and the DoF view of the Commission's draft budget.</p> <p>The Audit Committee prepares and lays its report</p>	<p>The Senedd Commission must lay its draft budget for the next financial year before the Senedd to allow scrutiny of its proposals by the Finance Committee</p> <p>After the Committee has completed its scrutiny, the Commission publishes a final budget to be debated in Plenary before a vote for approval by the whole Senedd</p>	<p>The Scottish Parliamentary Corporate Body (SPCB) provides a budget to the Committee and to the Scottish Government; normally no later than the end of the first week in December</p> <p>The Finance and Constitution Committee considers and reports on the SPCB's budget</p> <p>The SPCB's final expenditure proposals appear in the annual Budget Bill, which is voted upon by the Scottish Parliament</p>	<p>Finance Committee:</p> <ul style="list-style-type: none"> - Advises the House of Common's Commission on a remit for each year's financial planning round <p>Members Estimate Committee:</p> <ul style="list-style-type: none"> - Agrees the size of the Members Estimate before it is laid before the House by the Treasury - Codifies and keeps under review the provisions of the Resolutions of the House relating to expenditure charged to the Estimate - Modifies those provisions in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances 	<p>Draft Budget</p> <p>The Commission's Budget is set through the legislative process</p> <p>No other Oireachtas Committees are involved in the preparation of the draft budget, therefore no procedures exist between the Commission and them</p>
<p>Amendments to Budget</p>	<p>Submission of the Commission's contribution to Monitoring Rounds and the Spring Supplementary Estimate is subject to</p>	<p>Oversight of supplementary budgets</p> <p>The Welsh Government has come to an informal arrangement where any proposed</p>	<p>The SPCB keeps both the Committee and the Scottish Government informed of any substantive changes</p>	<p>Finance Committee:</p> <ul style="list-style-type: none"> - Quarterly monitors spending against budgets during the year <p>Members Estimate Committee:</p>	<p>No information is available on amendments to the budget in-year</p> <p>The Public Accounts Committee provides</p>

	<p>agreed thresholds between the NIAC and the Audit Committee. If these thresholds are not exceeded, the Commission does not seek the Audit Committee's view on its in-year position. It is proposed that the Committee only be consulted for additional in-year adjustment of plus or minus 10% of the NIAC agreed budget for a given year</p>	<p>supplementary budgets by directly funded bodies are first notified to and considered by the Finance Committee before the Welsh Government lay their supplementary budget</p>	<p>to the Scottish Parliament's budget</p>	<ul style="list-style-type: none"> - Codifies and keeps under review the provisions of the Resolutions of the House relating to expenditure charged to the Estimate - Modifies those provisions in the interests of clarity, consistency, accountability and effective administration, and conformity with current circumstances. 	<p>for <i>ex-post</i> scrutiny of the Commission's annual budget, after it is audited by the Comptroller and Auditor General</p> <ul style="list-style-type: none"> - This scrutiny is based on the Annual accounts included in the Houses' Annual Reports
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4. Concluding Remarks

The oversight and procedural mechanisms for scrutiny of parliamentary corporate body budgets varies within the five jurisdictions examined.

Main differences include:

- In Westminster, the the House of Common's Commission is not responsible for expenditure on Members' salaries, pensions and allowances. This is the responsibility of the Independent Parliamentary Standards Authority(IPSA) and the Members Estimate Committee.
- Additionally, in Westminster, the Finance Committee monitors Commission spending against budgets quarterly.
- In the ROI, the Houses of the Oireachtas Commission's Budget is set through the legislative process. No other Oireachtas Committees are involved in the preparation of the draft budget; therefore no procedures exist between the Commission and them.

Oversight of the NIAC budget by the Audit Committee closely resembles the procedural approach of both the Scottish and Welsh legislatures, but with two small differences, as explained below:

- Additional Oversight
 - The Welsh Finance Committee has an informal agreement where any proposed supplementary budgets by directly funded bodies are first notified to and considered by the Finance Committee, before the Welsh Government lay its supplementary budget.
 - In Scotland, the Scottish Parliamentary Corporate Body keeps both the Finance and Constitution Committee and the Scottish Government informed of any substantive changes to the Scottish Parliament's budget.

Appendix 1

Northern Ireland Assembly Commission Budget Setting Process

Preparation of Draft Budget: Context

The Assembly Commission (the "Commission") prepares a draft budget for the period of the Executive's Budget as notified by the Department of Finance (DoF). This budget is established in advance of the timetable established by DoF for Executive Departments;

Key Milestones

- a. As part of the development of the Commission's draft budget, the Commission actively obtains data and projections from the DoF relating to the wider outlook for the Northern Ireland Block for the entirety of the budget period;
- b. The Commission, taking account of the DoF projections, proposes its draft budget and presents it to the Audit Committee. At the same time, the Commission also provides the draft budget figures to the DoF;

Interaction with Audit Committee:

Context

Via an agreed mechanism (e.g. Standing Orders) and in keeping with the Executive budgetary timetable, the Audit Committee lays a report on the Commission's draft budget;

Key Milestones

- a. In advance of laying that report, the Commission attends an Audit Committee meeting(s) to give evidence on its draft budget;
- b. In advance of laying that report, the Audit Committee receives written evidence from DoF (cleared in advance by the Finance Minister) on the wider outlook for the Northern Ireland Block and the DoF view of the Commission's draft budget. In considering the Commission's draft budget, the Committee should have due regard to the evidence provided by the DoF.
- c. Evidence to the Committee from the DoF shall be included in the Committee's report to the Assembly;
- d. The Committee prepares and lays its report;

Finalisation of Budget:

Context

The Commission prepares its final budget, taking on board the recommendations of the Audit Committee and submits a motion to the Business Committee;

Key Milestones

- a. The Assembly as a whole debates the final budget in Plenary before voting on the motion (without amendment) that it be *"agreed and incorporated into the Executive's Budget and the subsequent Main Estimates."*
- b. The vote of the Assembly in respect of the Commission's budget is reflected, without amendment, in the budget prepared by the Executive;

In-Year Amendments to Budget:

Context

On an in-year basis, financial controls are established that are aligned to the arrangements for setting the initial budget.

Key Milestones

- a. The Commission prepares and submits its contribution to Monitoring Rounds and the Spring Supplementary Estimate. The submission of the Commission's contribution to Monitoring Rounds and the Spring Supplementary Estimate will be subject to agreed thresholds between the Commission and the Committee. If these thresholds are not exceeded, the Commission will not seek the Audit Committee's view on its in-year position.

Review:

This methodology will be reviewed within one year of its first use and at the conclusion of every Executive budget setting period.