



Conselho das Finanças Públicas
Portuguese Public Finance Council

ACTIVITIES, MANAGEMENT AND ACCOUNTING REPORT— 2018

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1 Introduction

According to its [By-laws](#), the [mission](#) of the Portuguese Public Finance Council (CFP) is to conduct an independent assessment of the consistency, the compliance with the stated aims and the sustainability of public finance, simultaneously promoting its transparency.

Nevertheless, the Budgetary Framework Law (LEO), approved by [Law no. 151/2015 of 11 September](#), broadened the CFP's mission, entrusting to state on "the proposed macroeconomic scenario and budget goals", as well as on the "compliance with the fiscal balance rules, the central government expenditure rule and the autonomous regions and local government indebtedness rules laid down in the respective finance laws" (no. 1 of article 7 of the LEO).

Therefore, CFP contributes for the quality of democracy and of the decisions of the economic policy, reinforcing the Republic's financial credibility.

From its [formation](#), in May 2011, within the scope of the 5th amendment to the [Budgetary Framework Law](#) (article 12-l) and [at the initiative of the national political authorities](#), CFP aims to guarantee a thorough technical work. All of its assessments are published, allowing to empower the general public and the specific political players with more and better information on how to make better decisions.

Within the scope of its [responsibilities](#), the CFP must assess the macroeconomic scenarios adopted by the Government and the coherence of the budgetary projections with these scenarios, as well as the compliance with the established budgetary rules and also the financial situation of the autonomous regions and local government.

Moreover, it must analyse the evolution of the public commitments, namely within the pensions and health areas, assess the potential impact of the public business sector's entities in the consolidated situation of the public accounts and monitor the budget implementation.

Within the [European context](#), the setting up of the CFP occurred before the European guideline on the existence of independent bodies in the Member-States, aiming to analyse the compliance with the budgetary rules, established by the [Directive no. 2011/85/UE of the Council, of 8 November 2011](#) (paragraph b) of article 6).

Within the scope of the reinforcement of the economic governance conditions of the Euro area, Portugal and the other Member-States of the common currency agreed with the European Parliament to assign to the independent fiscal institutions the political power and a set of important competences to fortify the conduct of the national budgetary policies. These bodies prepare or assess the plausibility and prudence of the macroeconomic forecasts in which the short and medium-term national budget plans are based, assess the compliance with the numeric fiscal rules and assess the operation of the mechanisms for the correction of deviations regarding the medium-term budgetary objective (articles 4 and 5 of the [EU Regulation no. 473/2013 of the European Parliament and Council](#), of 21 May 2013).

To ensure the necessary [independency](#), CFP acts autonomously on the performance of the functions assigned by law and by the by-laws and it cannot request nor receive instructions from the National Assembly, Government or any other public or private entities. The financial

independency of CFP is ensured by the State Budget. Also according to the By-laws, the Council has access to all economic and financial information necessary for the compliance with its mission and all public entities are bound to the timely provision of such information and of the additional clarifications requested.

CFP discloses all its [management information](#) through the online portal and the members of the Senior Board are regularly heard by the National Assembly. The Board's activity is also monitored by the chairperson of the Court of Auditors and by the Governor of the Bank of Portugal. The disclosure of this Activities, Management and Accounting Report regarding the financial year of 2018 is also a way to report to the Portuguese society, easing its scrutiny on the CFP's activity.



Senior Board in 2018. From left to right: Carlos Marinheiro, Paul De Grauwe, Teodora Cardoso, Miguel St. Aubyn, George Kopits.

The Senior Board, the [Executive Committee](#) and the Single Audit constitute the CFP's bodies, according to article 10 of the By-laws. The Senior Board is the highest body of CFP, responsible for the compliance with its mission, for the pursuit of its responsibilities, the establishment of its activities plan and the approval of the internal regulations. The Senior Board is a collegial body, comprising five members – the Chairperson, the Vice-Chairperson, one executive member and two non-executive members. It may integrate up to two non-national members, preferably from other EU Member-States. The Chairperson and the executive member must mandatorily reside in Portugal.

Throughout 2018, the Senior Board did not suffer any alterations, being constituted by Teodora Cardoso, Paul De Grauwe, Miguel St. Aubyn, George Kopits and Carlos Marinheiro, as indicated in Table 1. After a first three-year mandate, the non-executive members are currently fulfilling the second (and last) mandate under the statutory terms, with a duration of seven years. The Senior Board's meeting minutes are available on the internet portal. Besides the formal meetings, the Senior Board's members interact through other means, namely in informal meetings or through email and videoconference.

The Single Audit is the body responsible for the control of the financial and patrimonial management of the Portuguese Public Finance Council and its legality. Upon the end of the five-year mandate of Carlos Fernando Calhau Trigacheiro as CFP's Single Audit and as a result of the joint proposal of the Chairperson of the Court of Auditors and of the Governor of the Bank of Portugal, the Government and the Minister of Finance appointed Pedro José Gomes do Nascimento Barreira for this position through the [order no. 2682/2018](#), of 15 March. The

Single Audit monitored and issued an opinion on the institution's administrative-financial structure, besides exercising the other competences established in the By-laws.

Table 1 — Composition of the Senior Board

Name	Position
Teodora Cardoso	Chairperson
Paul De Grauwe	Vice-Chairperson
Miguel St. Aubyn	Executive Director
Carlos Marinheiro	Non-Executive Director
George Kopits	Non-Executive Director

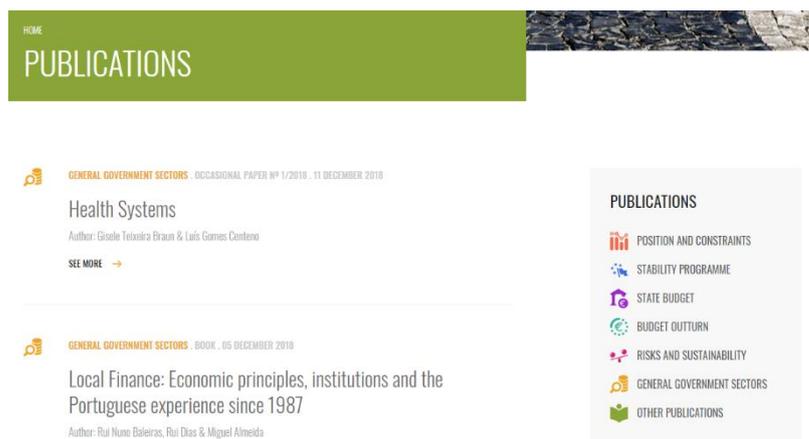
For the fulfilment of its mission and responsibilities assigned, CFP possesses technical services. The correspondent recruitment scheme prioritizes the mobility instruments within Public Administration. The technical services staff is subject to an individual employment contract and is covered by the general social security scheme.

CFP is physically located in the city of Lisbon (Praça de Alvalade, no. 6 – 10th floor).

2 The CFP's activity in 2018

This chapter reports on the services provided by CFP throughout 2018. For this purpose, the written analysis, the public interventions of the Senior Board's members, the relationships with other institutions, as well as the participation in international networks with similar bodies are presented.

2.1 Publications



Example of CFP's publications in 2018

Throughout 2018, CFP continued its work on the assessment and scrutiny of the national public accounts. The CFP's conclusions and analyses are always published and made available on the institution's webpage, totalling 18 publications during 2018. The most relevant publications are translated into English and the translated version is made available some weeks after the original text in Portuguese.

Within the limits of its competences, CFP conducted quarterly analysis of the general government budget outturn in national accounts, besides carrying out an annual analysis; it assessed the macroeconomic scenarios underlying the Stability Programme and the Draft State Budget; examined the two budgetary planning documents and continued a collection launched in 2015 on the medium-term position and constraints of the public finance in Portugal.

The analysis of the budgetary process focused an important part of the CFP technical staff attention, derived from the fact that, in Portugal, CFP is the independent body with the task of assessing the macroeconomic forecasts underlying both the Stability Programme and the State Budget. These assessments are disclosed when the Government publishes those budgetary programming documents. Approximately three weeks later, CFP presents its analysis of the budgetary content of such plans, highlighting the comparisons with the goals previously announced by the Government, the coherence with the planned policy measures and the risk assessment of the budgetary forecasts.

The series [“Public Finance: Position and Constraints”](#) entered its fourth year of publication, registering a growing interest by the public and the media. With two annual editions (in March and in September), this is a prospective assessment of the likely macroeconomic and fiscal developments in a five-year period in a no-policy change scenario..

The disclosure of these publications includes the holding of a press conference in the presence of the resident members of the CFP’s Senior Board. With this practice, CFP places itself at the disposal of the journalists to provide clarifications and answer to questions regarding its analyses and activity.

In 2018, CFP began two new series of regular publications: one half-yearly, which analysis falls on the accounts of local government, and another biannual, which is focused on the fiscal risks for the sustainability of public finance.

The analysis of the local administrations’ budgetary evolution is presented in a cash basis and, with this new series of regular publications, CFP aims to contribute for the transparency of the Local Administration’s accounts, just as carried out for the set of Public Administrations.

On the other hand, the biannual analysis of the fiscal risks for the sustainability of public finance is an exercise carried out based on the CFP’s macro-fiscal projects, not aiming to foresee the evolution of the main macroeconomic and fiscal variables; it aims to analyse its likely evolution under the hypothesis of maintenance of the current or announced policies, with sufficient detail to estimate their impact. In this new series of publications, CFP aims to extend the horizon of this analysis in order to assess the impacts on the sustainability of public finance and, particularly, of the public debt, carrying out a more extensive identification and analysis of the determinant factors and risks.

Throughout 2018, a working paper on the macro-fiscal model to project the Portuguese economy and an occasional paper on the health systems, framing the Portuguese reality within the context of other countries of the Organization for Economic Co-operation and Development (OECD), were also disclosed.

CFP edited, for the first time, a volume called [Finanças Locais: Princípios económicos, instituições e a experiência portuguesa desde 1987](#) [*Local Finance: Economic principles, institutions and the Portuguese experience since 1987*], which is available online. The volume, written by the employees and former employees Rui Nuno Baleiras, Rui Dias and Miguel Almeida, was presented in a public session, which took place at Culturgest, in Lisbon, on 5 December. This public session was moderated by the Chairperson, Teodora Cardoso, also featuring the intervention of former President of the Republic Dr Jorge Sampaio and the three authors.

Table 2 contains all publications disclosed by CFP in 2018, with the hyperlink for the webpage. On the [CFP’s webpage](#), each publication is accompanied by a spreadsheet which contains all graphs and tables concerning each review document.

Table 2 — CFP’s publications in 2018

Date	Title	Type	No.
16 January	Fiscal developments until the end of the 3rd quarter of 2017	Report	1/2018

Date	Title	Type	No.
6 March	<u>Introducing the Portuguese macro-fiscal (PMF) model: A framework for projecting the Portuguese Economy</u>	Working Paper	1/2018
15 March	<u>Public Finance: Position and Constraints 2018-2022</u>	Report	2/2018
4 April	<u>Local Government Budget Outturn 2017</u>	Report	3/2018
13 April	<u>Opinion on Macroeconomic Forecasts Underlying the Stability Programme 2018-2022</u>	Opinion	1/2018
17 April	<u>Analysis of the General Government Account 2017</u>	Report	4/2018
10 May	<u>Analysis of the Stability Programme 2018-2022</u>	Report	5/2018
23 May	<u>Analysis of the Social Security and Civil Servants Pension Agency budget outturn in 2017</u>	Report	6/2018
12 July	<u>Fiscal developments until the end of the 1st quarter of 2018</u>	Report	7/2018
25 July	<u>Fiscal Risks and Public Finance Sustainability</u>	Report	8/2018
6 September	<u>Analysis of the Social Security and Civil Servants Pension Agency budget outturn until the 1st semester of 2018</u>	Report	9/2018
13 September	<u>Local Government Budget Outturn in the 1st semester of 2018</u>	Report	10/2018
20 September	<u>Public Finance: Position and Constraints 2018-2022 (Update)</u>	Report	11/2018
11 October	<u>Fiscal developments until the end of the 2nd quarter of 2018</u>	Report	12/2018
15 October	<u>Opinion on macroeconomic forecasts underlying the 2019 Draft State Budget</u>	Opinion	2/2018
13 November	<u>Analysis of the Draft State Budget for 2019</u>	Report	13/2018
5 December	<u>Local Finance: Economic principles, institutions and the Portuguese experience since 1987</u>	Volume	n.a.
11 December	<u>Health systems</u>	Occasional paper	1/2018

2.2 Public interventions

The Portuguese Public Finance Council has been four times in the National Assembly, upon invitation by the Budget, Finance and Administrative Modernization Committee, to discuss its analysis of the Draft State Budget and Stability Programme (more information in [Institutional Relationships](#)).

Throughout 2018, CFP was invited to intervene in several conferences and seminars on matters related to its mission. Most public interventions of the Senior Board's members took place in Lisbon, but there were some in other Portuguese cities.

Table 3 indicates all public interventions of the Senior Board's members and of the CFP's Technical Staff in 2018.

Table 3 — Public interventions of the Senior Board's members and Technical Staff in 2018

Date	Event	Member of the Senior Board	Topic of the intervention*
20 January	Intervention in the congress of the Platform for the Sustainable Growth	Teodora Cardoso	Sustainability of the public debt
20 February	CFP's parliamentary hearing on the assessment of the public and external indebtedness of Portugal	Teodora Cardoso Paul De Grauwe Miguel St. Aubyn George Kopits Carlos Marinheiro	Assessment of the public and external indebtedness
14 March	Participation in the conference "Economy Today, Future Tomorrow"	Teodora Cardoso	Development of the Bank System
19 April	CFP's parliamentary hearing regarding the Stability Programme 2018-2022	Teodora Cardoso Paul De Grauwe Miguel St. Aubyn George Kopits Carlos Marinheiro	Macroeconomic forecasts underlying the Stability Programme 2018-2022
15 May	CFP's parliamentary hearing regarding the review of the Budgetary Framework Law	Teodora Cardoso Miguel St. Aubyn Carlos Marinheiro	Review of the Budgetary Framework Law (LEO)
28 May	Participation in the conferences cycle "The Economy and the Future"	Teodora Cardoso	European recommendations to Portugal
7 June	Participation in the National Health Convention	Teodora Cardoso	Funding of the Health Systems: What is the future?

Date	Event	Member of the Senior Board	Topic of the intervention*
7 June	Participation in the workshop on the euro reform	Miguel St. Aubyn	Portugal – recent developments and growth perspectives
22 June	Participation in the XI Encuentro de Economistas CAF-SEGIB [Economists Meeting] in Sevilla	Miguel St. Aubyn	Instituciones para la productividad - Comentarios iniciales [Institutions for productivity – Initial remarks]
22 June	International Conference of Councils on Economic Policy	Luís Centeno Nuno Gonçalves	“Vulnerability and fiscal consequences of externally induced recessions in Portugal”
02 June	Participation in the 10 th meeting of the OECD’s fiscal institutions	Miguel St. Aubyn	n.a.
25 September	Participation in the meeting of the European network of independent fiscal institutions - 9 th meeting of the EUNIFI	Carlos Marinheiro	Medium-term budgetary framework in Portugal
10 October	Participation in the conference on the funding of the health sector	Teodora Cardoso	Health Funding
15 October	Participation in the conference on budget and democracy	Miguel St. Aubyn	Budget and democracy
19 October	Participation in the conference “The public capitalization of the Portuguese Social Security: current situation and perspectives”	Teodora Cardoso	The Funding of Social Security. Sustainability and equity conditions
19 October	Participation in the meeting of the Association of Former Members of the European Court of Auditors	Miguel St. Aubyn	Public finance in Portugal – an overview of current and future issues
19 October	Participation in a work meeting of economic experts in the framework of the European Semester	Luis Centeno	Exportations and Value Chains
15 November	Parliamentary hearing on the Draft State Budget for 2019	Teodora Cardoso Paul De Grauwe Miguel St. Aubyn George Kopits Carlos Marinheiro	Analysis of the Draft State Budget for 2019

Date	Event	Member of the Senior Board	Topic of the intervention*
23 November	Participation in the meeting of the European network of independent fiscal institutions – Union of the European Independent Fiscal Institutions (UNIFI)	Carlos Marinheiro Nuno Gonçalves	Nowcasting
29 and 30 November	Participation in the workshop “Macro-modelling workshop on global and cross-country spillovers” organized by the Joint Research Center and DG ECFIN	Luís Centeno Nuno Gonçalves	Modelling of the transnational economic impacts
07 December	European Commission - Economic Seminar on Portugal	Luís Centeno	Recent economic performance of firms in Portugal (microeconomic focus)

2.3 Institutional relationships

Within the scope of its accountability, CFP appeared before the deputies of the National Assembly to expose its reports on the Draft State Budget (OE) and on the Stability Programme, as required in the By-laws. To this end, in 2018, it was present in two parliamentary hearings in the Budget, Finance and Administrative Modernization Committee: [the first](#) in April on the Stability Programme 2018-2022 and [the second](#) in November on the State Budget for 2019.

Besides, it was also called to the parliament to be heard by the same committee on the [assessment of the public and external indebtedness of Portugal](#) (in February) and on the [review of the Budgetary Framework Law](#) (in May). All hearings are available on the CFP’s online page ([Public Interventions](#) tab) with connection to AR TV.

Throughout 2018, CFP held work meetings with international bodies that monitor the evolution of the Portuguese economy and the country’s fiscal process, participated in several workshops and conferences, highlighting the following:

- Workshop “GDP-linked government bonds” in Brussels, Belgium, on 17 January (non-executive director Carlos Marinheiro)
- Workshop “Fiscal Policy in an environment of high debt” in Brussels, Belgium, on 18 January (non-executive director Carlos Marinheiro)
- Conference “The financial crisis and the Portuguese economy: did we learn the lesson?” in Lisbon, on 30 January (executive director, Miguel St. Aubyn, and director of the Technical Services, Luís Centeno)
- Conference “The future of EU: budget, economy and democracy” in Lisbon, on 9 February (executive director, Miguel St. Aubyn)
- IMF’s workshop “The future of fiscal integration in Europe” in Brussels, Belgium, on 21 February (executive director, Miguel St. Aubyn)

- Chiado Conferences: “Government and Administration – reluctant relationship, forced affinity” in Lisbon, on 10 May (chairperson, Teodora Cardoso)
- Workshop “Suitability report of the budgetary frameworks directive” in Brussels, Belgium, on 4 July (non-executive director Carlos Marinheiro, technical director, Luís Centeno)
- Workshop “Output gap” in Vilnius, Lithuania, on 5 September (non-executive director Carlos Marinheiro)

Concerning the presence in the media, in 2018, the CFP’s chairperson, Teodora Cardoso, held three interviews: one to *Lusa* in March, another to *TSF* and to *Dinheiro Vivo* (in May) and another to *Antena 1* and to *Jornal de Negócios* (in September).

Regarding the media reach of the CFP’s publications and considering only the two days after each CFP’s publication, it was observed that, throughout the year, 742 news on or referring to the Council were published, which has an average of 46 news per publication (Cision data until 15 May and PressPower from that date onwards).

Also analysing the two days after the disclosure of each publication, the reports with greater media reach were the Position and Constraints of September and March, respectively. The analysis of the Public Administration’s 2017 account was the third report that generated more news referring to CFP, but coincided with the publication of the IMF’s forecasts, which increases the CFP’s media presence in this period.

2.4 International networks of independent fiscal institutions

Time has taken care to show the usefulness in sharing experiences, difficulties and solutions and therefore, nowadays, there are three international collaboration networks between independent fiscal institutions. CFP actively participates in the works of all of them. Throughout 2018, CFP participated:

- In the 8th meeting of the EU Network of Independent Fiscal Institutions (EUNIFI), in Brussels, on 1 February (non-executive director Carlos Marinheiro).
- In the EUNIFI meeting in Rome, on 4 May (non-executive director Carlos Marinheiro and director of the technical services, Luís Centeno).
- In the 10th annual meeting of OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions (PBO-IFIs), in Seoul, on 3 and 4 July (executive director Miguel St. Aubyn).
- In the EUNIFI meeting in Bratislava, on 23 November (non-executive director Carlos Marinheiro).

2.5 Other CFP’s activities

In 2018, CFP requested to the Organization for the Economic Co-operation and Development (OECD) an analysis of its work in a period coinciding with the end of the first Chairperson’s mandate. With this initiative, CFP aims to reflect on its impact to this day and identify aspects which may be improved to ensure its long-term feasibility.

In this sense, during the month of November, the OECD's team responsible for this assessment was in Portugal, where it held meetings with several CFP's employees and also with other stakeholders deemed as relevant.

The final report would be published by OECD in English in 2019 and made available electronically on the Organization's website. The analysis' conclusions were presented and discussed in the meeting of the OECD's Network of Parliamentary Fiscal Institutions (PBO) which took place in 2019, in Lisbon, within the scope of the ongoing discussion on governance measures and work methods of the Independent Budget Institutions and the assessment of these Institutions and the Network itself.

On another level and aiming to continuously contribute for a better handling and understanding of the topics addressed, CFP organized in 2018 a training initiative on how to read a State Budget, aimed for journalists of other areas (different from the budgetary and public finance areas). With this training, CFP intends to contribute for the understanding of the journalists who, despite not being part of the area, are oftentimes faced with the topic.

This training, which was carried out at the CFP's premises during approximately four hours, counted with the participation of 15 journalists from six different media entities. The journalists answered to a satisfaction survey at the end of the training, giving an average evaluation of 4.3 points in a scale from 1 to 5 (with 5 as the maximum classification).

In 2018, the renovation and modernization process of the CFP's website was initiated, which launch shall take place in the beginning of the following year. This initiative aims to increase the Council's visibility and provide useful and up-to-date information to the several stakeholders, namely national and international institutions, journalists, students and general audience.

3 Management and Accounts of CFP in 2018

According to article 1 of its By-laws, CFP possesses administrative and financial autonomy and individual equity, being subject to the autonomous services and funds scheme.

In this section, the main means used by CFP during 2018 are mentioned, either regarding the human or the financial resources.

3.1 Means used

3.1.1 Human resources

The team responsible for the operation of CFP, forming the correspondent Senior Board, suffered an alteration in its initial composition in 2017 as the mandate of the Vice-Chairperson and of the Executive Director ended.

Therefore, the team that formed the Senior Board in 2018 took office on 16 February 2012 and 13 September 2017, namely:

- Chairperson — Teodora Cardoso;
- Vice-Chairperson — Paul De Grauwe;
- Executive Member — Miguel St. Aubyn;
- Non-Executive Member — Carlos Marinheiro;
- Non-Executive Member — George Kopits.

According to the by-laws¹, Paul De Grauwe and George Kopits are not national citizens nor do they reside in Portugal, exercising their functions in part-time.

Under a Joint proposal of the Chairperson of the Court of Auditors and the Governor of the Bank of Portugal, the non-executive members had their mandates renewed, taking effect from 22 December, through the [Resolution of the Council of Ministers no. 35/2014, of 18 November](#).

Under a Joint proposal of the Chairperson of the Court of Auditors and the Governor of the Bank of Portugal, the current Vice-Chairperson and Executive Member were appointed through the [Resolution of the Council of Ministers no. 105/2017, of 19 July](#).

The Senior Board ensures the strategic guidelines, the current management and the institutional representation.

At the end of 2018, for the fulfilment of its responsibilities, CFP counted with 18 employees in the technical services and one IT technician, provided by the company which ensures the operation of the information and communications infrastructure.

¹ Number 3 of article 12 establishes that “The Senior Board may integrate up to two non-national members, preferably from other EU Member-States” and number 5 of the same article states that “The chairperson and executive member must mandatorily reside in Portugal”.

In 2018, an economics and public finance analysts was recruited, under an individual employment contract, together with a communication officer and an administrative and financial officer, both under a cession regime. The leaving of a technical assistant connected to the secretariat was also observed.

Table 4 describes the human resources of the CFP's Technical Services, at the end of 2018, compared to the previous year, regarding the correspondent staff group and the highest academic qualification.

Table 4 — Human resources

Staff Group	31-12 2017	Position on 31 December 2018					
		Total	PhD	Master' s Degree	Post- Graduation ¹	Bachelor' s Degree	Other qualifications
Head of Staff	1	1	-	1	-	-	-
Administrative and Financial manager	1	1	-	-	1	-	-
Technical Coordinators	3	3	1	1	1		
Economy and Public Finance Analysts	7	8	3	4	1	-	-
Communication officer	0	1	-	1	-	-	-
Legal adviser	1	1	-	-	-	1	-
Administrative and Financial officers	2	3	-	-	-	1	2
Technical Assistant	1	0	-	-	-	-	-
Total	16	18	4	7	3	2	2

¹ Approval in a Higher Education course which requires a bachelor's degree as the access qualification and does not grant an Academic degree.

The acquisition of knowledge and the improvement of the skills became a permanent area of interest from 2014. All employees were encouraged to endeavour in this process and the institution adopted an internal regulation regarding the professional training and valuation. They were focused on the bestowing of productivity, both to CFP and to the employees, on the search for valuable trainers for the CFP's activities and on the curriculum of its professionals.

Over the year, 18 employees benefited from training initiatives. As a whole, they were involved in 51 initiatives, which correspond to 1.091 training hours, with a global cost of 18.274.31€, borne by the employer.

3.1.2 Financial resources

According to the by-laws, CFP is funded by General Revenues of the State Budget. As a result, the CFP's budget for 2018 was an integral part of the Law no. 114/2017, of 29 December.

The preparation of the Portuguese Public Finance Council's budget is carried out by the Senior Board and is subject to a favourable opinion jointly issued by the Chairperson of the Court of Auditors and by the Governor of the Bank of Portugal, according to article 29 of its By-Laws.

The CFP's initial revenue and expenditure budget was 2.699.850€.

3.2 Accounts

3.2.1 Revenue and expenditure

The 2018 budget's allocation was registered in the funding source 311 – General Revenue, not regarding co-funded projects, in the Budgetary Programme 01 – Sovereign Bodies / Nation's General Costs, as described in Table 5, which also shows the disaggregation of the envisaged expenditure, according to the economic classification:

Table 5 — Approved budget

REVENUE BUDGET		
Revenue CE	Designation	Allocation
06.03.01	Current Transfers - Central Administration - State	2 642 272 €
10.03.01	Capital Transfers -Central Administration - State	57 578 €
Total		2 699 850 €

EXPENDITURE BUDGET	
Economic Grouping	Allocation
Staff costs	1 850 080 €
Acquisition of goods and services	792 192 €
Acquisition of capital goods	57 578 €
Total	2 699 850 €

The final data of the management account, closed on 26 April 2018, allow to estimate in 72.39% the execution of the full allocation provided by the State Budget in 2018.

The CFP's Head of Staff , Dr Luís Centeno, participated, as a critic, in a seminar organized by the European Committee, with the topic "A glimpse into the performance of Portuguese firms: challenges for growth and competitiveness", on 7 December 2018.

The expenditures regarding the travelling and the stay were reimbursed by the event's responsible entity. Therefore, the Portuguese Public Finance Council, pursuant to article 27 of Law no. 54/2011 of 19 October, combined with the guidelines of the Notice no. 1346, Series A, of the General Budget Directorate, of 1 January 2009, and pursuant to article 13 of the European Union Treaty, of 7 February 1992, carried out the opening registry of a Special Loan, according to the amount in [Table 6](#).

Table 6 — Revenue budget – F.F.480

REVENUE BUDGET -FF 480		
Revenue CE	Designation	Allocation
06.09.01.99.01	Current Transfers – Rest of the World - European Union - Other Institutions - General State Organizations	769 €
Total		769 €

As a result, the CFP's revenue budget then had the allocation in [Table 7](#).

Table 7 — Total revenue budget

REVENUE BUDGET		
Revenue CE	Designation	Allocation
06.03.01.00.00	Current Transfers - Central Administration - State	2 642 272 €
06.09.01.99.01	Current Transfers - Rest of the World - European Union - Other Institutions - General State Organizations	769 €
10.03.01.00.00	Capital Transfers - Central Administration - State	57 578 €
Total		2 700 619 €

[Table 8](#) adds more detail to the budget implementation and the expenditure with the acquisition of goods and services was executed in 57.46% when compared to the initial budget of the analysed grouping.

The execution rate of the grouping of staff costs, when compared to the initially envisaged, stood at 80.63%, which essentially results from the settlement of staff in a lower number than the one budgeted.

Table 8 — Economic breakdown of the budget implementation

EXPENDITURE BUDGET	
Economic Grouping	Allocation
Staff costs	1 491 641 €
Acquisition of goods and services	454 585 €
Acquisition of capital goods	7 580 €
Total	1 953 806 €

The expenditure with goods and services essentially results from the use of the physical installations. It regards the acquisition of cleaning services, communications, information and communication technologies, as well as the payment of rents.

3.2.2 Patrimonial situation

In general, the provisions of the Official Public Accounting Plan (POCP) were complied with to the extent applicable to the Portuguese Public Finance Council.

The valuation criteria adopted by CFP, provided for in the POCP, were the following

- Fixed assets were valued at acquisition cost, considering as such the sum of the purchase price and the expenses incurred directly or indirectly to place them in their current state;
- As they have a limited useful life, fixed assets are subject to systematic depreciation on a straight-line basis. In accordance with the principle of materiality, low-value assets were fully amortized in the year of their acquisition;
- There are no assets or liabilities relating to foreign currency, so the criteria for exchange differences do not apply;
- In accordance with the principle of specialisation (or accrual), the effects of income and costs that should be recognised in years other than those in which the corresponding receipts or payments occur were recorded in accruals and deferrals, assets and liabilities.

The movements occurred in the items of fixed assets, included in the balance sheet and in the respective depreciations and provisions, are identified in [Table 9](#).

Table 9 — Total depreciations

DEPRECIATIONS MAP	
Items	Accrued Value
Fixed assets	567 770 €
Total	567 770 €

The existence of assets that, due to destruction, disappearance, obsolescence and inoperability, were object of Challenge/Decommissioning was observed, according to the guidelines provided in Ordinance No. 671/2000 Registration and Inventory of State Property (CIBE).

There are no assets acquired in a state of use, nor have there been any disposals or transfers during the year. For fixed assets, the respective acquisition and depreciation values are presented below.

Table 10 — Acquisition and depreciation values of the fixed assets

BALANCE - ASSETS			
ASSETS	Gross Assets	Depreciations	Net Assets
Fixed assets			
Basic equipment	238 184 €	194 367 €	43 816 €
Administrative equipment	61 513 €	41 828 €	19 685 €
Other fixed assets	360 819 €	331 575 €	29 244 €
Total	660 516 €	567 770 €	92 746 €

In compliance with the applicable rules, the amount relating to holidays and holiday pay due on 1 January 2019 was recorded as an increase in costs, with reference to work performed in 2018. The amount calculated, plus the respective employer costs, was 215.818€.

There are no active or passive debts relating to the entity's staff.

As at 31 December 2018, CFP has no arrears. Following this and pursuant to Order no. 2.555/2016 of the Minister of Finance, published in the Official Gazette, Series II, of 19 September, the CFP undertook the following commitments for future years:

- 2019 – 358.678€;
- 2020 – 270.729€;
- 2021 – 11.267€.

4 Documents of the Statutory Auditor

In this chapter, the documents prepared by the Single Audit of the Portuguese Public Finance Council, Dr Pedro José Gomes do Nascimento Barreira, as a result of his monitoring of the institution's activity and accounts' assessment, are fully reproduced:



CERTIFICAÇÃO LEGAL DAS CONTAS

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

OPINIÃO

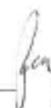
Auditei as demonstrações financeiras anexas do **Conselho das Finanças Públicas**, pessoa coletiva de direito público, com a natureza de entidade administrativa independente, dotada de autonomia administrativa e financeira e de património autónomo, sujeita ao regime dos serviços e fundas autónomas, que compreendem o balanço em 31 de dezembro de 2018 (que evidencia um total de 459 902 euros e um valor negativo de património próprio e de resultado líquido de 16.646 euros), a demonstração dos resultados por naturezas e os mapas de execução orçamental, incluindo os fluxos de caixa, do ano findo naquela data, e as notas anexas às demonstrações financeiras que incluem um resumo das políticas contabilísticas significativas.

Em minha opinião, exceto quanto aos possíveis efeitos da matéria referida na secção "Bases para a opinião com reservas", as demonstrações financeiras anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira do **Conselho das Finanças Públicas**, em 31 de dezembro de 2018, o seu desempenho financeiro e os fluxos de caixa relativos ao ano findo naquela data de acordo com o Plano Oficial de Contabilidade Pública.

BASES PARA A OPINIÃO COM RESERVAS

A pesar de estar obrigado a aplicar, desde 1 de janeiro de 2018, o Sistema de Normalização Contabilística para as Administrações Públicas (SNC-AP), aprovado pelo Decreto-Lei n.º 192/2015, de 11 de setembro, o **Conselho das Finanças Públicas**, considerando uma instrução emitida pelo Tribunal de Contas, preparou as demonstrações financeiras relativas a 31 de dezembro de 2018 de acordo com o Plano Oficial de Contabilidade Pública. Deste modo, não me é possível concluir sobre os efeitos que a aplicação do SNC-AP provocaria no valor dos ativos, passivos e património próprio da entidade.

A minha auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As minhas responsabilidades nos termos dessas normas estão descritas na secção "Responsabilidades do auditor na auditoria das demonstrações financeiras" abaixo. Sou independente da Entidade nos termos da lei e cumpro os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.



Estou convicido que a prova de auditoria que obtive é suficiente e apropriada para proporcionar uma base para a minha opinião.

RESPONSABILIDADES DO ÓRGÃO DE GESTÃO PELAS DEMONSTRAÇÕES FINANCEIRAS

A Comissão Executiva, constituída nos termos da Lei n.º 54/2011, de 19 de outubro, que aprovou os Estatutos do Conselho das Finanças Públicas (o órgão de gestão) é responsável pela:

- preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa da Entidade de acordo com o Plano Oficial de Contabilidade Pública;
- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorção material devido a fraude ou erro;
- adoção de políticas e princípios contabilísticos adequados nas circunstâncias; e
- avaliação da capacidade da Entidade de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

RESPONSABILIDADES DO AUDITOR PELA AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

A minha responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras como um todo estão isentas de distorções materiais devido a fraude ou erro, e emitir um relatório onde conste a minha opinião. Segurança razoável é um nível elevado de segurança mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, faço julgamentos profissionais e mantenho ceticismo profissional durante a auditoria e também:

- identifico e avalio os riscos de distorção material das demonstrações financeiras, devido a fraude ou a erro, concebo e executo procedimentos de auditoria que respondam a esses riscos, e obtenho prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a minha opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver colúcio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;

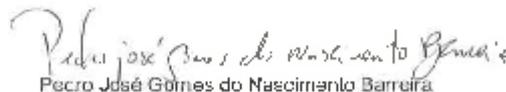
- põem uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno da Entidade;
- avalio a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e reservas divulgações feitas pelo órgão de gestão;
- concluo sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade da Entidade para ser contínua às suas atividades. Se concluir que existe uma incerteza material, devo chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a minha opinião. As minhas conclusões são baseadas na prova de auditoria obtida até à data do meu relatório. Porém, acontecimentos ou condições futuras podem levar a que a Entidade descontinue as suas atividades;
- avalio a apresentação, estrutura e conteúdo global das demonstrações financeiras, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- comunico com os encarregados da governação, sobre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificado durante a auditoria

A minha responsabilidade inclui ainda a verificação da concordância da informação constante do relatório de gestão com as demonstrações financeiras.

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Considerando a natureza do Conselho das Finanças Públicas, não existe matéria relevante que deva ser relatada neste ponto.

Lisboa, 29 de maio de 2019


Pedro José Gomes do Nascimento Barreira

(Revisor Oficial de Contas, inscrito com o n.º 1145)



RELATÓRIO E PARECER DO FISCAL ÚNICO

Para cumprimento do estabelecido na alínea d) do artigo 25.º dos Estatutos do **Conselho das Finanças Públicas (CFP)**, aprovados pela Lei n.º 54/2011 de 19 de outubro, emito o presente relatório e parecer sobre as contas do CFP relativamente ao exercício de 2018.

RELATÓRIO

A Comissão Executiva do CFP elaborou as demonstrações financeiras, que compreendem o balanço em 31 de dezembro de 2018, a demonstração dos resultados por naturezas e os mapas de execução orçamental, incluindo os fluxos de caixa, do ano findo naquela data, e as notas anexas às demonstrações financeiras que incluem um resumo das políticas contabilísticas significativas.

O CFP possui a natureza de entidade administrativa independente, dotada de autonomia administrativa e financeira e de património autónomo, sujeita ao regime dos serviços e fundos autónomos.

As demonstrações financeiras foram preparadas e apresentadas em conformidade com o Plano Oficial de Contabilidade Pública.

As contas patrimoniais apresentam um total do balanço de 458 902 euros e um valor negativo de património próprio e de resultado líquido de 18.646 euros. A execução orçamental apresenta despesas pagas de 1 953 808 euros, sendo 1 948 226 euros de despesas correntes e 7 580 euros de despesas de capital. Excecção quanto a um reembolso da Comissão Europeia no valor de 789 euros, as despesas foram financiadas por receitas provenientes do Orçamento do Estado.

Acompanhei, relativamente ao exercício de 2018, a atividade do CFP tendo, para o efeito, emitido relatórios trimestrais sobre a execução orçamental.

Para a realização do meu trabalho, recebi da Comissão Executiva e demais responsáveis dos departamentos relevantes do CFP a colaboração necessária e foram-me oportunamente prestadas todas as informações solicitadas.

Atendendo que o CFP está obrigado a aplicar, desde 1 de Janeiro de 2018, o Sistema de Normalização Contabilística para as Administrações Públicas (SNC-AP), aprovado pelo Decreto-Lei n.º 192/2015, de 11

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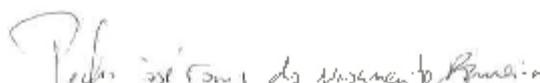
em setembro, emiti, na qualidade de Revisor Oficial de Contas, a Certificação Legal das Contas relativas ao exercício de 2018 com a inclusão de uma ressalva pelo facto das demonstrações financeiras relativas a 31 de dezembro de 2018 terem sido preparadas de acordo com o Plano Oficial de Contabilidade Pública.

PARECER

Em face do exposto, sou de parecer que o balanço em 31 de dezembro de 2018, a demonstração dos resultados por naturezas e os mapas de execução orçamental, incluindo os fluxos de caixa, do exercício findo naquela data, bem como os correspondentes anexos às demonstrações financeiras, lidos em conjunto com a Certificação Legal das Contas, permitem uma boa compreensão da situação orçamental e patrimonial do Conselho das Finanças Públicas e satisfazem as disposições legais e estatutárias em vigor.

Lisboa, 29 de maio de 2019

O FISCAL ÚNICO


Pedro José Gomes do Nascimento Barreira

(Revisor Oficial de Contas, inscrito com o n.º 1145)