

**Irish Fiscal Advisory Council  
Council Meeting Minutes**

Present: John McHale (Chair), Sebastian Barnes, Alan Barrett, Donal Donovan, Róisín O'Sullivan (via Skype).  
In attendance: Diarmaid Smyth, Eimear Leahy, Rachel Joyce.  
Date: 10/01/2013.  
Time: 09:00 – 17:15.  
Location: Boardroom, ESRI.

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**1. Admin**

- (a) The minutes from the 30/11/2012 Council meeting were approved.
- (b) Record Management Policy: draft reviewed. **Action:** RJ to work on some amendments.
- (c) Code of Business Conduct: draft reviewed and approved. **Action:** RJ to do up final version for Council and Secretariat to sign.
- (d) Recruitment: sanction to recruit an economist has been received from D/PER. **Action:** DS/RJ send job description to PAS; redeployment options are considered first. **DS/RJ** to look at possible further recruitment options within IFAC budget.
- (e) Overview of DoF meeting on the 09/01/13 where information sharing and EU fiscal developments were discussed. **Action:** DS will follow up on possible IFAC-DoF MoU.

**AOB:**

- VAT/Tax on time buy-outs was discussed. **Action:** AB/RJ to follow up for final clarity.
- Role of Secretary to the Board was discussed. **Decision:** RJ appointed this role.

**2. Closed Session (Staff Matters).**

**3. Balance Sheet Update**

Current status was discussed. **Action:** DS will circulate a new draft 11/01/13. **Decision:** A teleconference will be held on Thursday 17<sup>th</sup> to discuss final drafting, next steps and release.

**4. Chapter 4**

The draft of the chapter was reviewed. **Action:** JMH will work on the next draft incorporating discussions on domestic demand, budgetary projections, and the multiplier. Possible extensions to the Fiscal Feedbacks Model discussed (e.g. employment). Discussion of budgetary carryovers from 2012 into 2013. **Action:** JMH/DS to investigate further.

**5. Chapter 2**

The draft of the chapter was reviewed. **Action:** DD/EL will work on the next draft. Next draft needs to add in analysis of recent indicators and main messages to front. Labour market needs some discussion. **Action:** EL to look at fan charts for growth rates and possible labour market additions.

**6. Chapter 3**

The draft of the chapter was reviewed; discussion around the use of Budget 2013 versus end year Outturn figures. View that fiscal outturn was much stronger than expected. Next draft needs to reflect December numbers. **Action:** ROS/DS will work on the next draft; AB will work

with DS/EL on expenditure ceilings; JMH will ask DoF for update on carryovers from 2012 to 2013.

#### 7. Chapter 5

The draft of the chapter was reviewed. **Action:** SB will work on the next draft, to include a more explicit explanation of the IFAC mandate; further explanation on output gap methodology.

#### 8. FAR Production Plan

##### Decisions:

- March Council meeting: Friday 8<sup>th</sup> March.
- Next Drafts: **Action:** All to circulate full drafts one week ahead of the February 7<sup>th</sup> Council meeting. However interim drafts of chapters 2 & 3 may be circulated before then; **Action:** DS/EL to have a draft Summary Assessment ahead of the February meeting.
- Style: Bullet point summaries to be done at the start of the chapter; appendices will go at the end of the report.
- **Action:** DS to check what other releases are happening end March/early April.
- **Action:** DS/RJ to prepare short Box on IFAC (to go on website).
- **Action:** DS/EL will do up style guide of standard terms to be used.

[SB departed]

#### 9. AOB

- Council appointment terms were discussed in the context of the IFAC now being statutory. **Action:** JMH will confirm terms with each council member.

[DD, EL, ROS departed]

- AB, JMH, DS completed documentation for the setting up of an IFAC bank account.

Ends.

## Irish Fiscal Advisory Council Council Meeting Minutes

Present: John McHale (Chair), Sebastian Barnes, Alan Barrett, Donal Donovan, Róisín O'Sullivan (via Skype).  
In attendance: Diarmaid Smyth, Eimear Leahy, Rachel Joyce.  
Date: 07/02/2013.  
Time: 09:00 – 16:40.  
Location: Boardroom, ESRI.

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### 1. Admin

- (a) Minutes: One amendment was noted for the 10/01/2013 Council meeting minutes.
- (b) 2012 Accounts: The 2012 accounts were reviewed. **Decision:** Overview will be published on the website.
- (c) Web Updates: Proposed updates were reviewed and agreed on.
- (d) Troika Meeting: DD and DS gave an overview of the meeting held on 31/01/13.
- (e) Meetings Schedule: The schedule for the next six months was discussed. **Decisions:**
  - The May Council meeting will be Friday May 24th.
  - Council meetings over the Summer are provisionally scheduled for the last Friday of the month: June 28<sup>th</sup>, July 26<sup>th</sup>, and August 30<sup>th</sup>.
  - The Autumn FAR will be released in the first week of September.

### 2. Balance Sheet Update

**Decision:** The release of the paper will be postponed because of the need to analyse and incorporate the developments on IBRC and the Promissory Notes.

### 3. Recruitment

Closed Council session to discuss staffing matters.

### 4. Chapter 3

The latest draft was discussed and a number of amendments noted. **Actions:** ROS/DS to work on overall drafting. AB/DS will work on the expenditure ceilings. SB/DS will work on a box on the PN. ROS/EL will finalise Tax Box on Errors.

### 5. Chapter 5

The latest draft was discussed and a number of amendments noted. **Decision:** This chapter will precede the Fiscal Stance chapter. **Actions:** SB will work on overall drafting. DS/EL will look at IMF and EU output gap methodologies. JMH/SB/DS will consider how the FF model should incorporate ageing.

### 6. Chapter 2

The latest draft was discussed and changes to the structure of the chapter were noted. **Actions:** JMH will work on initial restructure of the chapter and AB will continue from there. AB will write up macro-forecasting section. SB/EL will look at decomposition of real growth forecasting errors.

**7. Chapter 4**

The latest draft was discussed and a number of amendments noted. **Action:** JMH will work on the overall drafting which will incorporate PN developments and aspects of the net debt discussion from the Balance Sheet paper.

**8. FAR Production Plan**

- **Decision:** The release date for the report will be Thursday 28th March.
- **Decision:** The next teleconference will be Thursday 14th February at 4.00pm.
- Review of General Summary document: General agreement on the main messages outlined in the document. **Action:** JMH to amend to (i) include the PN developments and (ii) align the messages to the IFAC's mandate.

**9. MoU**

Discussion of the draft DoF MoU. **Decision:** Development of the MoU should be postponed until more is known about implications of the 2-pack. **Action:** DS will respond to DoF.

**10. AOB: None.**

**Ends.**

## Irish Fiscal Advisory Council Council Meeting Minutes

Present: John McHale (Chair), Sebastian Barnes, Alan Barrett, Donal Donovan, Róisín O'Sullivan.  
In attendance: Diarmaid Smyth, Eimear Leahy, Rachel Joyce.  
Date: 08/03/2013.  
Time: 09:00 – 15.50.  
Location: Boardroom, ESRI.

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1. The minutes of the 07/02/2013 Council meeting were approved.
2. Admin Update:
  - (a) Summary of work ongoing: **Actions:** RJ to look at HR policies; RJ to look at benchmarking alternatives to frequent travel; DS to organise meeting of internal risk committee.
  - (b) Corrections of 2012 budget and 2013 budget were reviewed.
  - (c) AOB:
    - o The Council will appear before the Oireachtas Committee on Wednesday 24<sup>th</sup> April.
    - o The purchase of an E-views license is noted.
3. **Recruitment**

Interviews were held 07/03/2013 for secondment of an economist. **Action:** AB/DS will arrange a formal response for each candidate and next steps.
4. **Chapter 1: Macro Forecasts**

There was a review of the current draft. **Decision:** The paper on forecasting methods will be integrated into the chapter. **Action:** AB/EL will work on the next draft taking on board suggestions from Council Members.
5. **Chapter 2: Budgetary Forecasts**

There was a review of the current draft. **Decision:** The boxes are to be linked into the text more; discussion of the Croke Park deal will be brought into the chapter. **Actions:** ROS/DS will work on overall redrafting; AB/DS/EL will make amendments to the Ceilings Box; SB/DS will make amendments to the PN Box; ROS/EL will make amendments to the Tax Box.
6. **Chapter 3: Rules**

There was a review of the current draft. **Decision:** The work undertaken on extended projections/additional nominal discretionary adjustments post 2015 will be covered in the next FAR. **Actions:** SB will work on overall redrafting; to include discussion of the correction mechanism.
7. **Chapter 4: Fiscal Stance**

There was a review of the current draft. **Decision:** More emphasis to be placed on the main message: IFAC's recommendation has not changed, additional insurance is necessary. **Action:** JMH will work on overall redrafting.
8. **Summary Assessment/Press Release**
  - o Summary Assessment: General agreement but the main message on the fiscal stance is to be made more explicit.

- Press Release: **Action:** DS will work on, taking out some of the duplication and bringing in some of the other messages/explanations.

**9. FAR Production Plan**

**Decision:** Given the need to incorporate the QNA data release on 21<sup>st</sup> March, and taking into account other constraints, the release of the report is rescheduled for Wednesday 10<sup>th</sup> April.

**Actions:** Next drafts will be circulated by Wednesday 13<sup>th</sup>; authors to highlight where they have made changes; next teleconference will be Friday 15<sup>th</sup> at 13.00.

**10. AOB**

- The Balance Sheet paper will be revisited once the FAR has been published.

**Ends.**

**Irish Fiscal Advisory Council  
Council Meeting Minutes**

**Present:** Sebastian Barnes, Alan Barrett, Donal Donovan, John McHale (Chair), Róisín O'Sullivan.  
**In attendance:** Eddie Casey, Andrew Hannon, John Howlin, Rachel Joyce, Diarmaid Smyth.  
**Date:** 03/04/2014.  
**Time:** 12.00-14.45.  
**Location:** Boardroom, ESRI.

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• **Minutes:**

The minutes of the 21/03/2014 Council meeting were approved.

• **Endorsement:**

- (i) The Secretariat presented IFAC Benchmark projections and the preliminary SPU short-term forecasts to 2015.
- (ii) The Secretariat presented on the SPU medium term forecasts to 2018.
- (iii) Outlook to 2015 – key issues: decomposition of GDP deflator, investment, quarterly profile of imports, labour market assumptions, composition of growth.
- (iv) Outlook from 2015-2018 – key issues: the potential growth rate of 3.5%, the labour market (NAWRU) and the nature of the iterative process between the demand and supply side.

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**Endorsement Meeting with the Department of Finance:**

**Attendees (IFAC):** Sebastian Barnes, Alan Barrett, Donal Donovan, John McHale (Chair), Róisín O'Sullivan, Eddie Casey, Andrew Hannon, John Howlin, Rachel Joyce, Diarmaid Smyth.  
**Attendees (DoF):** Mary Dalton, Shane Enright, John McCarthy, Gavin Sweeney, Laura Weymes.  
**Date:** 03/04/2014.  
**Time:** 15.00 – 17.45.  
**Location:** Department of Finance.

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**DoF staff presented preliminary SPU outlook to 2018:**

- (i) International developments and exogenous assumptions.
- (ii) Domestic Macroeconomic Developments.
- (iii) Revisions to the short-term outlook relative to Budget 2014 and the major expenditure components including the labour market.
- (iv) Revisions to DoF forecast since the meeting with the IFAC Secretariat.
- (v) Medium-term outlook to 2018 including changes to the forecasting methodology.
- (vi) Discussions centred on:
  - a. Expenditure side: import growth forecasts (profiles in 2013 and 2014), the patent cliff, consumption (goods and services, car sales, weak data in 2013), trade (split between pharma and non-pharma); investment (building and construction and machinery and equipment).
  - b. Deflators: assumptions relating to export prices and the overall GDP deflators, imputed rents.
  - c. Stocks: contributions to growth.

- d. Incomes: driving forecasts behind forecasts for compensation per employee and the savings ratio.
- e. Labour: profiles for labour force participation; productivity forecasts.
- f. Medium-term: NAWRU assumptions, iterations with the demand side, labour force.
- g. Risks: domestic as well as external risks.
- h. Underlying picture behind the closing of the output gap and the 3.5% potential rate of growth in 2018.

**Action:** IFAC request clarification on stocks, pay, trade (and GDP) deflators and quarterly profiles for trade aggregates.

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### Council Meeting Minutes

**Present:** Sebastian Barnes, Alan Barrett, Donal Donovan, John McHale (Chair), Róisín O'Sullivan.  
**In attendance:** Eddie Casey, Andrew Hannon, John Howlin, Rachel Joyce, Diarmaid Smyth.  
**Date:** 03/04/2014.  
**Time:** 18.15 – 19.40.  
**Location:** Boardroom, ESRI.

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- Secretariat views were discussed, and then a roundtable of Council views.
- There was a consensus that the short-term outlook was within the endorseable range although IFAC were awaiting some clarifications from DOF.
- On the medium-term, the Departments reasoning behind the 3.5% number was reviewed. While this growth rate appears to be at the higher end of the spectrum, it was within the endorseable range bearing in the mind forecast uncertainty and the EC approach used.

**Decision:** IFAC would wait until DOF revised numbers in light of the endorsement meeting. Endorsement decision is delayed until receipt of further information from DoF.

**Action:** ROS and SB will work on a draft endorsement letter this evening; subject to further information from DoF tomorrow. There will be a teleconference tomorrow afternoon to discuss DOF's responses to additional clarifications sought by IFAC.

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Minutes Approved:

  
Signed by Chair

April 25, 2014  
Date



## Irish Fiscal Advisory Council Council Meeting Minutes

Present: John McHale (Chair), Sebastian Barnes, Alan Barrett, Donal Donovan, Róisín O'Sullivan (joined remotely).

In attendance: Diarmaid Smyth, Eimear Leahy, Rachel Joyce.

Date: 25/04/2013.

Time: 09:30 – 16.45.

Location: Boardroom, ESRI.

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1. The minutes of the 08/03/2013 Council meeting were approved.
2. Admin Update:
  - (a) 2013 Quarter 1 expenditure was reviewed.
  - (b) AOB:
    - Internal Risk Committee: AB, DD, CO'R (ESRI), DS held the first Risk Committee meeting on 23/04/13. **Action:** DS, CO'R, RJ to draft up the initial risk register which will be reviewed at the next meeting of the Risk Committee.
    - Future dates for Council meetings were discussed. **Decision:** Friday 24<sup>th</sup> May, Friday 28<sup>th</sup> June, Thursday 1<sup>st</sup> August, Thursday 29<sup>th</sup> August.
    - Tax on time buy-outs/stipends: CO'R (ESRI) attended the meeting (10.00 – 10.20) to give an update on discussions he has had with external tax consultants on whether time buy-outs to institutions are taxable to the individual. Clarification from DoF and the Revenue is urgently required as the arrangements were put in place on the basis that time buy-outs would not result in a personal tax liability and the receiving institutions have made commitments on that basis.
    - Expenditure/purchasing procedures were reviewed in the context of the IFAC bank account being set up. **Decision:** Existing purchasing authority continues; 2 of the 3 account signatories are required for cheques and dd mandates; AB will give final authorisation for online banking payments.
3. Fiscal Assessment Report 2013: There was a discussion of the production, publication and reaction of the April FAR; there was a discussion of the Council's appearance before the Oireachtas Committee on Finance, Public Expenditure and Reform on 24/04/13.

**Decisions:**

  - In future, FARs will be released in November and June so that there is less of a time lapse after the publication of Budgets and SPUs.
  - The press briefings will be the day before FAR release and the media embargo will be at midnight on the day of release.
  - On drafting/output, it is suggested that tables are made clearer and more comprehensive.
  - It is suggested that comments are circulated earlier before teleconferences and meetings.
  - It is suggested that shorter papers are released between FARs.
  - The Council will conduct an external review at its next meeting. The purpose of this is to get feedback on the general perception of IFAC, the role it has played to date, and how visible it has been in public and political debate. The review panel should aim to include representatives from the media, politics, academia, and the civil service. **Action:** AB to follow up with a possible panel.
  - Website statistics to be looked at more closely to determine the level of access to the site and to IFAC publications. The findings should be benchmarked against statistics of another organisation. **Action:** RJ to work on this.

4. Endorsement, Staffing, MoU:

- (c) There was a review of the draft MoU and amendments were noted. **Action:** DD will work on main revisions; SB will send on some suggested input. It will be sent to DoF on Monday 29 April.
- (d) There was a discussion of staffing matters. **Action:** JMH and DS to look at immediate secondment options, and sanction for open recruitment.
- (e) Timing of the next FAR: Discussion and decisions as per No. 3.

5. Work Projects:

- (f) Balance Sheet and PN Deal: The aim is to release the paper next month. **Action:** SB and DS to focus on finalising.
- (g) Output Gaps: Discussed briefly. **Action:** EL will work on with feedback from SB and JMH.
- (h) Tax Forecasting: EL gave an overview. **Decision:** It is expected that this will become a separate paper with the possibility of including a shorter version in the form of a box in the next report. **Action:** EL will work on with ROS.

The work plan for the next Council meeting was discussed. **Action:** 1-pagers to be drawn up for each chapter:

- Chapter 1: AB. (To include the machinery needed for forecast endorsement).
- Chapter 2: ROS/DS/EL. (To include contingent liabilities and tax forecasting).
- Chapter 3: SB and secretariat.
- Chapter 4: JMH.

6. AOB:

The IMF Fiscal Transparency Report was discussed. **Action:** DS will circulate a copy of this to the Council.

Ends.

**Irish Fiscal Advisory Council  
Council Meeting Minutes**

Present: John McHale (Chair), Sebastian Barnes (until 16.30), Alan Barrett, Donal Donovan, Róisín O'Sullivan.  
In attendance: Diarmaid Smyth, Eimear Leahy, Rachel Joyce.  
Date: 24/05/2013.  
Time: 09:30 – 16.45.  
Location: Boardroom, ESRI.

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- (1). The minutes of the 25/04/13 Council meeting were approved. **Matters arising:** The IFAC review has been postponed until a later time due to scheduling conflicts.
  
- (2). (a) The document on Benchmarking Alternatives to Frequent Travel was reviewed and all are agreed on the content.  
(b) Updates on:
  - Time Buy-Outs/Stipends: DoF have responded to IFAC queries on taxation for time buy-outs and stipends. The advice on time buy-outs to non-Irish public sector organisations is to be clarified. **Action:** JMHS/SB to follow up with DoF.
  - Insurance: It is noted a travel insurance policy has been put in place.
  - Recruitment matters were discussed. **Action:** DS to submit the formal request for recruitment/secondment sanction to DoF.(c) AOB:
  - The IFAC website and visit stats were discussed.
  - Recent PQs regarding IFAC were discussed. **Action:** PQs relating to IFAC should be published on the website; RJ to circulate weekly updates of other relevant PQs.
  
- (3). Balance Sheet: SB and DS gave an overview of the current draft of the Balance Sheet paper and outstanding matters were discussed. **Action:** SB and DS will finalise the paper and release the paper in June.
  
- (4). Output Gaps: EL and SB gave an overview. **Action:** EL to follow up with DoF on their methodology. **Decision:** Given the need to prioritise the work for the endorsement function, further development of this work will not take precedence. The work completed to date may form a box in the next FAR.
  
- (5). Tax Forecasting: ROS and EL gave an overview. **Decision:** As with Output Gaps, given prioritisation of the work plan, this will not be given a main focus at this time. However, work on particular aspects (such as elasticities) will be done. **Action:** ROS/EL will work on a box for the next Council meeting that will outline the value-added message from this work.
  
- (6). Endorsement Function, and (7). MoU: DoF's comments on the draft MoU were reviewed and the work plan for the forthcoming endorsement function was discussed. **Actions:** DD will work on main revisions; AB will follow up with DoF on macro forecasting spreadsheets; SB will send DD alternative wording for noted sections; AB and SB will work with DS and EL on a work programme for the endorsement function.

(8). 1-pagers for the FAR: the content and structure for each chapter was reviewed.

*Decision:* Outlines for all the chapters to be done for the next meeting. More substantive drafts of each will be reviewed at the August 01 Council meeting.

(9). There was a discussion of the austerity debate, and a discussion of recent commentary around Ireland's corporation tax. *Action:* DD will do a briefing note on corporation tax for the next meeting.

(10). AOB: none.

Ends.

**Irish Fiscal Advisory Council  
Council Meeting Minutes**

Present: John McHale (Chair), Sebastian Barnes, Alan Barrett, Donal Donovan, Róisín O'Sullivan.  
In attendance: Diarmaid Smyth, Eimear Leahy, Rachel Joyce.  
Date: 28/06/2013.  
Time: 09:30 – 16.15.  
Location: Boardroom, ESRI.

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(1). The minutes of the 24/05/13 Council meeting were approved.

(2). The Admin update was reviewed.

**Decisions:**

- Banking: The Council gave sanction for application of a debit card, with a separate account solely for debit card transactions, with a specified limit.
- Staffing: DS will proceed with recruitment procedures with DoPER for 2 economist positions, and review shorter term options.
- Governance: It is agreed that a proposed strategic plan and a peer review will be actions for 2014.

**Actions:**

- Time Buy-Out/Fees: RJ to document the procedures that are applicable to each council member.
- Statutory & Governance requirements: RJ do up a list of Matters for Decision of the Board reviewing what is complete/incomplete at this stage; JMH/DS to document Separation of Roles at Top level.

(3). Balance Sheet: The release of the paper was postponed from the previous month. The current draft was reviewed. **Actions:** Council members to submit comments on sections 1 and 2; some of the sections will be sent to stakeholders for factual feedback. **Decision:** The paper will be released at the time of the next Council meeting (August 2<sup>nd</sup>).

(4). & (5). Macroeconomic Developments and the Endorsement Function: There was a briefing on the work plan and the approach that is being adopted for the Endorsement Function; there was a briefing on macroeconomic developments.

**Decisions:** DS and EC will manage all variables. Each Council member will keep informed of a particular key variable.

**Actions:**

- DS/EC to continue the endorsement work and to send initial requests to DoF.
- DS/EL to circulate the key dates in September and October as set out in the Endorsement and the MoU.

(6). Tax Forecasting: The paper was reviewed. **Decision:** The paper will be released within the next few weeks. Related material, focusing on decomposition, will be written up for a Box in the next FAR.

(7). FAR Update/Chapter Outlines: Chapter 2 and Chapter 3 were discussed.

**Decisions:** Chapter 2 will incorporate fiscal risks; Chapter 3 will have a Box on the Output Gap.

**Action:** First substantive drafts of each chapter to be done for the August 2<sup>nd</sup> meeting.

(8). Corporation Tax: DD gave an overview of work to date. **Decision:** This subject will form part of the fiscal risks analysis in the next FAR. **Action:** DD will do a draft section for the August 2<sup>nd</sup> meeting.

(9). AOB:

- Due to a scheduling conflict, the date of the next Council meeting is changed to Friday 2nd August.
- DS to follow up with the IMF on quarterly national accounts excluding MNCs.
- DS to contact Revenue Commissioners contact.
- DD will follow up with DoPER on their previous meeting request.

## Irish Fiscal Advisory Council Council Meeting Minutes

Present: Sebastian Barnes, Alan Barrett, Donal Donovan, John McHale (Chair), Róisín O'Sullivan (on Skype).  
In attendance: Eddie Casey, Rachel Joyce, Diarmaid Smyth.  
Date: 29/08/2013.  
Time: 09:00 – 16.15.  
Location: Boardroom, ESRI.

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1. The minutes from the 02.08.13 Council meeting were approved. **Matters arising:** The Balance Sheet paper and the Tax paper are being finalised.
2. Admin Update:
  - The draft budget for 2014 was reviewed. It is decided to maintain a budget for consultancy. **Decision:** Draft budget approved. **Action:** RJ will submit to DoF.
  - Recruitment: DS/AB gave an overview of developments. **Action:** Proceed with advertising; the aim will be for interviews to be held towards the end of October.
3. Macroeconomic Indicators: EC gave an overview of the latest macroeconomic indicators, and the latest consensus forecasts.
4. Endorsement: EC and DS gave an overview of the approach to endorsement and the endorseable range. There was a discussion on IFAC preliminary forecasts, key documentation and forecast errors. **Actions:** DS/EC will continue with refining the forecasts, developing the models, developing the format for presenting these and engaging with stakeholders.
5. Endorsement Next Steps: IFAC will hold a teleconference on 23<sup>rd</sup> Sept to review IFAC forecasts and documentation; Secretariat will meet with DoF on the 25<sup>th</sup> Sept for preliminary forecasts; the Council will meet on 29<sup>th</sup> Sept ahead of meeting with DoF on the morning of 30<sup>th</sup> Sept, and again on afternoon of Sept 30<sup>th</sup>. The Council will hold a teleconference on 4<sup>th</sup> Oct for final decision on endorsement.
6. The meeting dates for the rest of the year were decided:
  - 23<sup>rd</sup> Sept at 14.00: Teleconference on endorsement.
  - 29<sup>th</sup> Sept: Council Meeting.
  - 30<sup>th</sup> Sept (AM): Meeting with DoF.
  - 30<sup>th</sup> Sept (PM): Council Meeting continue.
  - 4<sup>th</sup> Oct at 13.30: Teleconference on endorsement.
  - 24<sup>th</sup> Oct: Interview Panels.
  - 25<sup>th</sup> Oct: Council Meeting.
  - 4<sup>th</sup> Nov from 14.00 – 16.30: FAR teleconference.
  - 14<sup>th</sup> Nov at 13.00: Teleconference to sign-off on the FAR.
  - 20<sup>th</sup> Nov: Publication of the FAR.
  - 6<sup>th</sup> Dec: Council Meeting; to consider holding an IFAC review at this meeting also.
7. FAR Chapter 1: AB gave an overview of chapter outline. **Decision:** On IFAC's forecasts/endorsement approach, there will be an Annex table with the IFAC forecast and a fan chart showing the range included in the chapter. The rest of the forecast will go in a

technical annex. **Action:** AB will continue with the next draft based on discussions; input from DS/EC.

8. FAR Chapter 2: DS and ROS gave an overview of the draft. **Actions:** ROS/DS/EC will continue with the next draft including amendments/suggestions on risk matrix interest rate and contingent liability shocks; DD will work with ROS/DS on incorporating corporate tax and brexit discussion.
9. FAR Chapter 3: SB gave an overview of chapter draft. JMH has circulated written comments with suggestions. **Action:** SB will continue work on the next draft; DD and ROS have comments that they will circulate by email.
10. FAR Chapter 4: JMH gave an overview of the draft. **Actions:** JMH will work on the next draft taking on board comments, in particular on the narrative around the self-defeating argument and fiscal projections; DS/EC will work on a table with underlying assumptions which will form an annex for the chapter.
11. Other on FAR:
  - Substantive progress to be made on all drafts ahead of the Sept 29<sup>th</sup> meeting.
  - Comments on chapters are to be circulated to all.
12. AOB: none.



**Irish Fiscal Advisory Council  
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Present: Sebastian Barnes, Alan Barrett, Donal Donovan, John McHale (Chair), Róisín O'Sullivan.  
In attendance: Eddie Casey, Rachel Joyce, Diarmaid Smyth.  
Date: 29/09/2013, 12.00 – 19.00.  
Location: Boardroom, ESRI.

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1. Minutes: One amendment was noted for the 29/08/2013 Council meeting minutes.
2. Admin Update:  
There was an update on recruitment and accounting matters. **Decisions:** Interviews for the economist positions will be held on 24/10/2013; IFAC to proceed with a Service Level Agreement on support services with the ESRI; IFAC to request a meeting with the C&AG on its statutory requirements. **Action:** DS to write to Revenue Commissioners on tax queries.
3. FAR Chapter 2: There was a review of the latest draft and a number of amendments noted. **Action:** DS will redraft and seek meetings with DPER and D/F following Budget.
4. FAR Chapter 3: Much of the work for this chapter was frontloaded for the previous Council meeting; SB is continuing to progress.
5. FAR Chapter 4: There was a review of the latest draft and a number of suggestions. **Action:** SB and DD will circulate suggested wording on noted sections. JMH to finalise.
6. FAR Main Messages: The main messages will focus on assessing the fiscal adjustment, risks, expenditure overruns, the timing of the Budget, contingent liability shocks and major uncertainties.
7. FAR Chapter 1: There was a review of the latest draft and a number of amendments noted. **Actions:** AB will circulate a revised draft section following endorsement process; SB will do a Box on most likely macro projections.
8. Endorsement: IFAC's internal forecast was reviewed. DoF presentation to the Secretariat (25/09/2013) was discussed. A number of matters are identified for clarification for the "provisional final" forecast meeting with DoF on 30/09/2013.
9. AOB: It is agreed that IFAC should establish further lines of communication with D/PER on fiscal matters. This will be on the agenda for the December Council meeting.

**Irish Fiscal Advisory Council  
Council Meeting Minutes**

Present: Sebastian Barnes, Alan Barrett, Donal Donovan, John McHale (Chair), Róisín O'Sullivan.  
In attendance: Eddie Casey (part attendance), Rachel Joyce, Diarmaid Smyth.  
Date: 30/09/2013, 12.30 – 15.00.  
Location: Boardroom, ESRI.

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***Endorsement Function:***

Following on from the "provisional final" forecast meeting with DoF (10.00 – 12.00), the Council discussed the forecasts that were presented to them, and the queries that had been raised by the Council and the DoF responses.

The Council's main concerns centred on the DoF forecast for personal consumption. The terms of the MoU were discussed, in particular Section 5 whereby it was agreed that any significant reservations of the Council on the "provisional final" forecasts would be communicated to the DoF, in the first instance, on an "informal basis".

***Decision:***

The Council has requested further information to be submitted to IFAC from DoF on its forecast. Once this information has been submitted and the Council has reviewed it, the Council meeting will reconvene (via teleconference) in order to assess the matter further, and decide on the necessary course of action.

**Irish Fiscal Advisory Council  
Council Meeting Minutes**

Present: Sebastian Barnes, Alan Barrett, Donal Donovan (to 21.15), John McHale (Chair), Róisín O'Sullivan.  
In attendance: Eddie Casey, Diarmaid Smyth.  
Date: 30/09/2013, 20.30 – 22.00.  
Location: Teleconference.

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***Endorsement Function:***

The Council reviewed the additional material submitted by DoF earlier that afternoon. The Council was concerned with the internal consistency of the consumption forecast and the implied quarterly growth profile.

***Decision:***

JMH will contact DoF on an informal basis (01/10/13) to seek further clarification on the forecast.

## Irish Fiscal Advisory Council Council Meeting Minutes

Present: Sebastian Barnes, Alan Barrett, Donal Donovan (on conference call), John McHale (Chair),  
Róisín O'Sullivan.

In attendance: John Howlin, Rachel Joyce, Diarmaid Smyth.

Date: 25/10/2013.

Time: 09.00-16.00.

Location: Boardroom, ESRI.

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1. Minutes: The minutes of 29&30/09/2013 Council meeting minutes were approved.
2. Admin Update:
  - Reports on 2012 accounts, Qtr 3 expenditure, September 2013 transactions were reviewed.
  - Procedures for IFAC purchasing, banking, bookkeeping and accounts were reviewed. **Action:** RJ to include authorisation levels on debit card procedures.
  - Travel: Annual policy & outstanding travel expenses reviewed. **Action:** DS draft specific policy for Council and Secretariat travel to conferences/events. **Decision:** Travel expenses (as circulated prior from SB, DD, ROS) approved.
  - Council meetings 2014: 10<sup>th</sup> January; 14<sup>th</sup> February; March tbc once SPU and endorsement timeline is clarified.
  - Recruitment: Macroeconomist interview process complete; RA interviews will be held in December.
  - AOB: DS/RJ to proceed setting up an IFAC Twitter account; initial plans for a review process to be on the December agenda.
3. Endorsement/MoU: Review of Process  
**Actions:** DD will circulate a summary of existing issues with the MoU and possible amendments; SB has some comments he will send bilaterally; IFAC will hold a teleconference on December 2<sup>nd</sup> to discuss; IFAC will request a review meeting with DoF for December 6<sup>th</sup>.
4. FAR Chapter 1: Review of content. **Actions:** SB and ROS to work on next draft. DS to add inserts on IFAC view on economy. JMH to add insert on balance sheet recession.
5. FAR Chapter 2:  
There was a review of the current draft. **Actions:** DS and ROS will continue with overall drafting; DD and JMH will liaise on amendments to banking recapitalisation section; JH will work on additional boxes on expenditure ceilings and adjustment to date; JMH to work on insert on the soft budget constraint.
6. FAR Chapter 3:  
There was a review of the current draft. **Actions:** JH to take over Chapter with SB; JH to clarify expenditure rule and check the deflators; DS to send factual banking sections to CBI.
7. FAR Chapter 4:  
There was a review of the current draft. **Actions:** JMH will continue on overall drafting; based on the discussion of the output gap, the long-term analysis paragraph will include caveats regarding change in numbers; austerity discussion to be made clearer.
8. FAR Main Messages:
  - Chapter 1: Endorsement, risk, and likelihood of growth.

- Chapter 2: Uncertainty with the outlook, timing of the budget, contingent liabilities, expenditure ceilings, deficit projections, the final deficit outcome compared to the forecast.
- Chapter 3: The MTO has changed, Ireland is expected to be compliant with the rules, there will be some change to the rules, tight fiscal management is needed for some time.
- Chapter 4: Council maintains previous stance that adjustment should have been €3.1 billion (margin of safety has narrowed), adjustment in 2015 should be €2 billion, austerity measures are working, and the bulk of necessary measures should be over by 2015.

9. FAR: Publication and Logistics

There will be teleconferences on the 4<sup>th</sup> Nov at 14.00 (Chapter 1), 6<sup>th</sup> Nov at 16.00 (Chapter 2), and 14<sup>th</sup> Nov at 14.00 (final sign-off on report); the press briefing will be held on the 21<sup>st</sup> Nov; the report will be released on the 22<sup>nd</sup> Nov.

10.AOB:

Discussion of the upcoming Independent Fiscal Institution meetings in Bratislava and Brussels.

**Irish Fiscal Advisory Council  
DRAFT Council Meeting Minutes**

**Present:** Sebastian Barnes, Alan Barrett, Donal Donovan, John McHale (Chair), Róisín O'Sullivan.  
**In attendance:** John Howlin, Rachel Joyce, Diarmaid Smyth.  
**Date:** 06/12/2013.  
**Time:** 09.00-16.30.  
**Location:** Boardroom, ESRI.

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**1. Minutes:**

The minutes of the 25/10/2013 Council meeting were approved.

**2. Administrative Update:**

- **Recruitment Update:** Finalisation of Macroeconomist contract in progress; RA interviews being held 12&13 December.
- **Brussels meeting update:** JMH gave an overview of EC Independent Fiscal Institutions meeting attended on 27 November.
- **Statutory Requirements:** Summary of progress to date on compliance with statutory and governance requirements. **Actions:** DS and RJ work on documentation for review at the next meeting, in particular: Formal Schedule of Board Decisions (DS); Confidential Disclosures (RJ); Strategic Plan (DS); Separation of Roles at Top Level (RJ); Briefing for Directors (RJ); Remuneration (RJ).
- **Standards in Public Office:** If applicable, a Statement of Material Interest must be furnished and returned to the Standard in Public Office Commission by end January 2014. Nil statements will be noted for internal record.
- **Travel:** Updates to the travel policy were reviewed. **Decision:** Approved.
- **Financial review:** 2014 budget, end quarter 2013, and October and November transaction reports were reviewed.
- **C&AG/Bastow:** There was a discussion of the IFAC meeting with C&AG representatives on 26 November, which was requested by IFAC to discuss the audit timeline and legislative requirements; there was a discussion of the proposal from CHCB on internal audit work for IFAC. **Decision:** IFAC to proceed with elements of the Bastow internal audit proposal, the particular focus at this point is progressing the work on the Internal Statement of Financial Control.
- **Time Buy-Outs.** **Decision:** NUIG and ESRI buy-outs for the time of JMH and AB are approved, in line with the terms set out by DoF.
- **Extern Review.** **Decision:** This is on the agenda for 2014, once the next FAR is completed.
- **Council travel expenses.** **Decision:** Reviewed and approved for SB (Council meeting 25/10 & IFI meeting 27/10), JMH (Council & other IFAC meetings outstanding May-Oct), ROS (Council meeting 25/10).
- **AOB:**
  - **Twitter:** IFAC account to be set up. **Action:** DS to come up with a proposal for January.
  - **March Council meeting provisional:** 21 March.

**3. Review/Post-Mortem of Fiscal Assessment Report, November 2013:**

- There was a discussion based on the FAR post mortem note circulated. There was a feeling that the recent report was too large. It was proposed that once the Secretariat is at its full complement, each staff member would take specific responsibility for a Chapter. **Decisions:**

Look at developing 'Economic Notes' – extracting previous FAR material and publishing it separately on the website. Regarding the length of the report, continue with the FAR planning process as it is; particular areas that could be extracted and published separately may be identified during the process.

- Arising from this discussion, it was decided that broader Council and Secretariat expertise on fiscal rules should be developed. Specific suggestions are made with regard to reviewing available literature and it will be reviewed again at the January Council meeting.

**Break in Council Meeting. The Audit and Risk Committee met from 12.30 – 13.15.**

**Attendees: AB, DD, DS (IFAC), COR (ESRI).**

**4. Endorsement/MoU: Review of Process**

- The meeting with DoF 05/12 was reviewed and follow up noted. **Actions:** SB will circulate suggested wording on variables related to Section 2 of MoU; DD will incorporate any other changes discussed; IFAC will send a revised version of the MoU to DoF.
- On endorsement, it is decided that one key variable will be assigned to each Council member for overview. **Decision:** Consumption (ROS), Investment (SB), Exports/Imports (DD), Labour market (AB).
- Other. **Action:** DS to request a briefing from the CSO on the National Accounts. To be arranged for the January Council meeting.

**5. Work Plan:**

- Upcoming work plans were discussed and a number of areas identified. **Decisions:** Supply Side; One-Offs; DIRT; Health Savings; Capital investment; Buoyancy; Data Revisions.
- Further to discussions arising from the Council appearance before the Oireachtas Committee on Finance, Public Expenditure and Reform (05/12) it is decided to include more analysis on the Housing sector.

**6. Medium Term Projections:**

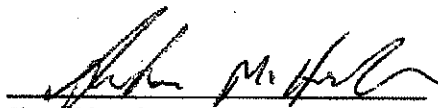
There was a discussion of work to date and further progression. **Decision:** IFAC to develop a working model of the Commission approach, extending the analysis to the components.

**7. AOB:**

- Next Meeting: Friday 10 January 2014 at 8.00am.

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Minutes Approved:

  
Signed by Chair

Jan. 10, 2014  
Date