

Minutes of Irish Fiscal Advisory Council (IFAC) Meeting

2nd floor, ESRI Building,

3:00pm–4:30pm, Thursday 30th March 2017

Present

- Seamus Coffey (Chair)
- Sebastian Barnes (remotely)
- Dr Íde Kearney
- Michael G. Tutty

Attending

- Eddie Casey
- Niall Conroy
- Alan Dalton

Apologies

- Dr Martina Lawless
- Kate Ivory

Proceedings

1. Preparation for Endorsement meeting

The Council discussed various factors relating to the Department of Finance’s macroeconomic projections and the Council’s Benchmark projections in advance of the meeting on Friday 31st March.

The Secretariat focused their discussion on the treatment of the capital stock in the projections, the methodology used for the supply side and the quarterly profiles implied by the Department’s projections.

2. AOB

None.

5th floor, ESRI Building,

11:00am–3:00pm, Friday 31st March 2017

Present

- Seamus Coffey (Chair)
- Sebastian Barnes (remotely)
- Dr Íde Kearney
- Dr Martina Lawless
- Michael G. Tutty

Attending

- Eddie Casey
- Niall Conroy
- Alan Dalton
- John McCarthy, Chief Economist/Assistant Secretary and Department of Finance colleagues—for item 4

Apologies

- Kate Ivory

Proceedings

3. Admin/Financial:

- The Council approved the **minutes** of the previous meeting (24th February 2017). Michael proposed the minutes and Martina seconded.
- The Secretariat presented the **Purchases & Transactions Report** for February 2016. Michael explained that IFAC had paid Vat to a contractor who had included on their invoice despite not being registered for Vat. IFAC have retrieved the Vat amount from the contractor. The Secretariat explained how they intend to prevent such mistakes in future: when they receive an invoice that includes Vat, they record whether the contractor has included a Vat registration number on their invoice.
- The Council agreed that the **signatories for the new bank mandate** should be Seamus Coffey and Dr Martina Lawless.
- The Secretariat presented the **Report on System of Internal Financial Controls (2016)**. Michael explained that the Secretariat need to put a Business Continuity Plan in place, and mentioned that the Audit & Risk Committee are happy with the report.
- The Secretariat presented the **draft Statement on Internal Financial Controls (for the Annual Report 2016)**. They explained that IFAC has chosen to:
 - submit an annual report and financial statements that comply with the Code of Practice for the Governance of State Bodies (2009) when reporting on 2016;
 - submit an annual report and financial statements that comply with the Code of Practice for the Governance of State Bodies (2016) when reporting on 2017.

The Council approved the draft Statement on Internal Financial Controls (for the Annual Report 2016).

- The Secretariat presented the **draft financial statements (for signing by the chair and for approval for submitting to the Comptroller and Auditor General on 31st March)**. Michael mentioned that the Audit & Risk Committee are happy with the draft financial statements. The Council approved them, subject to the Secretariat correcting a minor typing mistake on page 7. **To review the effectiveness of the system of internal financial controls, the Council considered this report along with comments from Michael as Chair of the Audit and Risk Committee. The Council**

discussed these and were satisfied with the effectiveness of the system of internal financial controls.

- The Secretariat presented the **template for the Annual Report 2016** and explained the proposed new structure, which would better correspond to the existing Strategic Report. The Council approved this new structure.
- The Secretariat presented the **template for the Strategic Plan 2017–2019**. The Secretariat explained that the new template better corresponds to the language and structure of statements of strategy from the Department of Finance and other government departments. The Council approved this new template, and aim to give feedback on its:
 - Introduction
 - Key Challenges, Risks and Opportunities in our Operating Environment
 - Strategic Goals.
- The Secretariat said that 60 people had attended IFAC's "Path for the Public Finances" conference. The Secretariat will email a survey to all attendees to get feedback. The Chair considered the conference a good initiative, and mentioned that it had received some press coverage, and that senior staff from some government departments had attended. The Council commended the Secretariat on the conference.
- The Secretariat mentioned that Kevin Timoney would join as an Economist in April, and that interviews for the vacant Research Assistant position would take place on 11th May or on the evening of 12th May.
- The Secretariat presented their responses to three recent **Parliamentary Questions** since the last Council meeting:
 - PQ 13323-17 (one person one salary principle)
 - PQ 14723-17 (payments made to broadcasters here 2014–2016; reasons to pay broadcasters in 2017)
 - PQ 15180-17 (cost of insurance for each year since 2010; current outstanding insurance claims).
- The Secretariat had received no **FOI** requests.
- The Secretariat chose not to include Risk Register work on the agenda for this meeting, for time reasons.

4. Department of Finance presenting preliminary Stability Programme Update forecasts

- John McCarthy, Chief Economist/Assistant Secretary and colleagues from Department of Finance's Economic and Budget Division joined the meeting and presented their preliminary SPU forecasts, inviting questions from IFAC as they presented.
- Those present discussed external assumptions, the short-run economic outlook, the labour market, price developments, household income developments, the macroeconomic outlook, supply-side factors, and quarterly profiles.
- The Council raised the prospect of a timeline for the Department over which they might produce an alternative to the EU Commonly Agreed Methodology (CAM) for medium-term forecasts while continuing to produce the CAM estimates to meet legal requirements.
- The Council thanked the Department of Finance's Economic and Budget Division.

5. Endorsement discussion

The Council discussed whether to endorse the Department of Finance's preliminary Stability Programme Update forecasts as well as the drafting of the endorsement letter. The Council agreed to seek clarification regarding the timeline from the Department of Finance, and to continue discussing this by email.

Signed:

Seamus Coffey (Chair)