

Minutes of Irish Fiscal Advisory Council (IFAC) Meeting

5th-floor meeting room, ESRI building

12:00pm–4:30pm, Thursday 4th April 2019

09:30pm–12:30pm, Friday 5th April 2019

Present

- Mr Seamus Coffey (Chairperson)
- Mr Sebastian Barnes
- Mr Michael G. Tutty
- Dr Martina Lawless

Attending

- Mr Eddie Casey
- Mr Niall Conroy
- Mr Kevin Timoney
- Ms Ainhoa Osés Arranz
- Ms Friederike Vogler
- Mr Killian Carroll
- Ms Karen Bonner

Proceedings

1. Admin/Financial

- **Declarations of interest:**

There were no declarations of interest.

- The Council **approved the minutes** of the previous meeting (21th February 2019). Michael proposed and Martina seconded them.

- **Matters arising**

E Casey is liaising with ESRI HR with a view to scheduling the Annual HR briefing at the June Council meeting.

The Chairperson confirmed that each Member of the Council has completed and submitted the annual Board Self-Assessment Evaluation Questionnaire.

Noted that a conference call re benchmarks took place on 22 March 2019.

- **Review of COSMO Licence:** This matter is still ongoing.

- **Performance Review External Evaluation:** The external evaluation is planned to take place over the period December 2019-January 2020. EC included the Terms of Reference from the last peer review process with the papers. It was agreed that the Council will review these with a view to discussing and agreeing the TORs and the panellists at its next meeting.
- **Code of Business Conduct Review:** The Code of Practice for the Governance of State Bodies (Code of Practice 2016) requires that a published Code of Conduct should be in place. A revised copy of the Council's existing Code of Business Conduct was reviewed by the Audit & Risk Committee at its meeting on 21 March 2019 and it is recommended to the Council for adoption. The Council reviewed the document, updated it to reflect the changes to the Code of Practice 2016, and agreed to its adoption noting that this review will address findings of both the C&AG and Mazars audit.
- **Policies for approval**

The Audit & Risk Committee reviewed the following policies at its meeting on 21 March and recommended the updates to the Council for approval:

Policy	Nature of update	Reason	Decision
ESRI/IFAC Management Accounts Preparation and Budgeting policy	Include the position of the responsible person and the controls and checks to verify the accuracy and completeness of the management accounts, prepayments. A&RC's role in the review and recommendation of the Budget	Recommendation of Mazars SIFC audit and A&RC's review	Adopted
Information Security Policy &	Data Protection Principles and reference to the Record of Processing Activities.	Recommendation of Mazars GDPR audit and A&RC's	Adopted

Procedures	Reporting of breach to the Council concurrently.	review	
Banking Policy	Change of Administrator	Recommendation of Mazars SIFC audit	Adopted
Fixed Asset Policy & Procedures	Setting of minimum level for capitalisation of a tangible fixed asset	Recommendation of Mazars SIFC audit	Adopted
Payment Procedures	Clarity on some points, expanding commentary on late payments in prompt payment reporting, reviewing of value of authorisations against transactions, updating of motor travel rates & flight rates, and declaration on travel and subsistence form	Recommendations of Mazars SIFC and C&AG audit and A&RC's review	Adopted
Income Policy	For consistency with 1(d) of the Payments Procedures Policy	A&RC's review	Adopted
Travel Policy	Updating of motor travel rates and flight rates	Recommendations of Mazars SIFC audit and A&RC's review	Adopted
Procurement Policy	Reference procurement checklist	Recommendation of Mazars SIFC audit	Adopted
Process for Setting Strategy	New policy - requirement under the Code of Practice for the Governance of State Bodies	Recommendation of Mazars SIFC and C&AG audit	Adopted

- **Council Fees:** The apportioned fee payable to former Council Member, Íde Kearney whose term of office ended on 10 March 2019, was approved.
- **Future chairing of EU IFI Network:** Seamus provided an update on a meeting attended on 1 April 2019 in Madrid regarding the ongoing progress of the future chairing of the EU IFI Network.
- **Review of Conference:** Friederike provided a presentation on feedback received in respect of the IFAC Annual conference which took place in Dublin Castle on 22 February 2019.

Eddie advised that Dublin Castle is booked for the 2020 IFAC Conference on Friday, 28 February 2020.

- **Standing items:**
 - **Purchases and Receipts book** The Purchases and Receipts book will be reviewed on 26 April 2019.
 - **Management Accounts:** The Q1 (Jan-March 2019) management accounts will be reviewed on 26 April 2019.
 - **Recruitment Update:** Interviews for shortlisted candidates for the summer internships programme are scheduled for 16 April 2019.
 - The Council received three **Parliamentary Questions** since the last meeting.
 - **FOI Update:** One FOI was received and responded to.
 - The Council will review a **Risk Register** item at the Council meeting on 26 April 2019.

Audit & Risk Committee Meetings: Michael Tutty, Chairperson of the A&RC reporting on the meeting held on 21 March 2019.

- Mazars attended the meeting to report on the System of Internal Financial Controls 2018 and SIC Follow Up 2017 audit, conducted in January 2019. There were no high-level areas of concern, there was one medium-level findings, relating to

procurement and 8 low-level findings – the majority of the findings have been implemented and only one remains to be addressed. In respect of the 2017 SIC follow up only one of the 3 findings partially implemented and 4 findings outstanding, remains to be addressed. Corné Mouton (Mazars) stated that overall the audit gives reasonable assurance to the Council in respect of the SIFC.

- An update was also provided in respect of the Data Protection/GDPR audit conducted in October 2018. There were four medium-level findings and 5 low-level findings. Four of these findings have been addressed and out of the remaining five, 2 are for completion in Q1 2019 and 3 in Q4 2019.
- The C&AG Management Letter from the 2017 audit, received on 15 March 2019, was reviewed. There was one High-level finding, two Medium-level findings and three Low-level findings. Four findings have been addressed, one has been partially addressed and one remains to be addressed.
- The A&RC agreed a procedure whereby, in circumstances where there is no A&RC meeting scheduled and time limits apply, the draft financial statements and draft quarterly management accounts will be circulated to the A&RC electronically prior to being presented to the Council.
- **Info Security/GDPR:** The Information Security Policy & Procedures was adopted under policy review and an update was provided in respect of the Mazars Data Protection/GDPR audit.
- **Recent and Forthcoming Meetings:**
 - The IFAC annual conference took place on Friday 22nd February 2019.
 - The Chairperson attended the Irish Tax Institute President's Dinner 2019: Friday 22nd February 2019.

- Sebastian reported on a joint paper with Eddie on Procyclicality of potential output estimates and the Expenditure Benchmark, which was presented at the European Fiscal Board workshop of the 'Independent Fiscal Institutions in the EU Fiscal Framework' in Brussels on 28th February 2019.
- Eddie, Martina and Michael met with the delegation from the European Parliament ECON Affairs Committee on 1st March 2019.
- Kevin attended the Macroeconomic Statistics Liaison Group and Regional Projections Group meetings in the CSO on 21 & 22 March 2019.
- The chairperson attended a meeting regarding the future chairing of the EU IFI network in Madrid on 1st April 2019.

Forthcoming:

- Eddie and Niall are presented two separate papers at the Irish Economic Association Annual Conference, Cork, 9 & 10 May 2019
- Forthcoming Audit & Risk Committee Meetings 2019 @ 9.30am: Friday 14 June
- The Chairperson is attending the EU IFI Network meeting in Madrid on 27 June 2019
- Forthcoming Council Meetings 2019: Friday 26 April @ 9:30am; Wednesday 12 June; Tuesday 16 July @ 9.30am and Friday 30 August @ 9:30am.

2. **Endorsement Preparations**

The Council prepared for the endorsement discussion.

3. **Elasticities Paper Redraft**

Niall gave an update on the Elasticities paper.

4. **MTO Update (2020-2022)**

This update was noted.

The meeting concluded at 4.30pm on Thursday 4 April and recommenced at 9.30am on Friday 5 April

5. Council Discussion Regarding the Endorsement

The Council discussed the forthcoming endorsement process.

6. Department of Finance. Presentation on Forecasts

John McCarthy, Chief Economist/Assistant Secretary General and colleagues from Department of Finance's Economic and Budget Division joined the meeting and presented their preliminary Stability Programme Update (SPU) 2019 forecasts, fielding questions from IFAC as they presented.

The Council thanked the Department of Finance representatives.

7. Council Discussion Regarding the Endorsement

The Council discussed whether to endorse the Department of Finance's preliminary SPU forecasts and agreed the text of a letter in this regard.

8. AOB

- There was no other business.
- The next meeting will take place on Friday, 26 April 2019 @ 9.30am.

Signed:

Seamus Coffey (Chairperson)

Dated: _____