

Minutes of Irish Fiscal Advisory Council Meeting

5th Floor boardroom, ESRI building
9.30am-3.30pm, Thursday 27th February 2020

Present

Mr Sebastian Barnes
(Deputy Chairperson)
Dr Martina Lawless
Dr Michael McMahon
Ms Dawn Holland

Attending

Dr Eddie Casey
Mr Niall Conroy
Mr Kevin Timoney
Ms Friederike Vogler
Mr Killian Carroll
Ms Karen Bonner

Proceedings

Sebastian Barnes chaired the meeting.

1. Closed Session

The Council met in closed session.

2. Admin/Financial

- **Declarations of interest:**

There were no declarations of interest.

- The Council **approved the minutes** of the previous meeting 24th January 2020. Martina proposed and Michael seconded them.

- **Matters arising**

There were no matters arising.

- **Peer Review**

The Council reviewed and agreed some minor amendments to the OECD draft **Peer Review** description.

- **Audit and Risk Committee Minutes**

Martina, Acting Chairperson of the A&RC reported on the meeting held on 20 February 2020.

- The A&RC usually comprises three members, there are currently two members which is also the quorum. The Council will keep the membership under review, but, it is unlikely to appoint another member until the vacancy on the Council is filled by the Minister.
- Mazars attended the meeting to report on the Systems of Internal Financial Controls (SIFC) and Systems of Internal Control (SIC) 2019 audit, conducted in January 2020. There were no high-level areas of concern, there was one medium-level finding and 2 low-level findings. The overall audit gives reasonable assurance in respect of the SIFC and SIC. The audits show continued improvement of processes and procedures evidenced by the addressing of previous findings and the marked reduction in the number/type of findings in recent audits. The next internal audit will take place in September 2020 concentrating on Public Procurement Compliance.
- A draft document outlining the proposed changes to the **Shared Service Agreement (SSA)** was reviewed, which is in the process of being finalised with the ESRI. This is generally an annual review and it was noted that the rates primarily remain unchanged, that a meeting is being arranged to discuss the proposed changes to schedule C Information Technology Services and that the wording of the SSA will be strengthened to emphasise that the agreement also continues on a rollover basis.
- The **Budget 2020**, agreed by the Council at its meeting in September 2019, was reviewed and the revised expenditure adjustments noted. The revised budget was agreed by the Council.
- The C&AG Management Letter from the 2018 audit, received on February 2020, was reviewed. There were two Medium-level findings and one Low-level finding. It was noted that the audit field work for the 2019 audit is due commence in May 2020.

- The A&RC reviewed section 2 (Staff and Resources) and section 3 (Financial) of the Risk Register.
- The A&RC reviewed the **draft unaudited Financial Statements** including the Governance Statement and the Statement on Internal Control for the year ended 31st December 2019 and recommended these to the Council.

The Council reviewed and discussed these documents and approved them for submission to the C&AG by the end of February.

Having regard to the internal and external audit reports and the financial statements presented the Council is satisfied with the effectiveness of controls for 2019 and plans to conclude its annual review at its next meeting.

- Three policies were reviewed and are recommended to the Council and were agreed and actioned as follows:

Income Policy - the Council reviewed and agreed the updated policy.

Process for Setting Strategy - the Council reviewed and agreed the updated policy.

Employee Handbook/HR Manual -the Council reviewed and agreed the revised handbook/manual.

- **Board Self-Assessment Evaluation**

Each Member of the Council will complete an annual Board Self-Assessment Evaluation questionnaire and will submit it to the Chairperson before the next meeting.

- **Standing items:**

- **Purchases and Receipts book** The Council reviewed the Purchases and Receipts book for January 2020.
- **Management Accounts:** The management accounts for Q1 2020 will be available in mid-April.
- **Recruitment Update:**

Eddie advised that he is in the process of finalising arrangements with the replacement Research Assistant.

It was agreed to advertise the summer internships programme shortly and to expand the description of the project.

- The Council received no **Parliamentary Question** since the last meeting.
- **FOI Update:** The Council received no FOI requests since the last meeting. The media coverage which arose as a result of a response to an FOI request was noted.
- The review of section 2 of the **Risk Register** was deferred to a future meeting. The secretariat is reviewing the Risk Register and the Business Continuity and Disaster Recovery Plan in the context of the current epidemic and will provide an update at the next meeting.
- **Info Security/GDPR:** There were no matters to report.
- **Recent and Forthcoming Meetings:**

Recent:

- Eddie attended the European Commission workshop on Fiscal rules in Brussels on 28 January.
- Eddie and Kevin attended the EUNIFI meeting in Brussels on 29 January, followed by a meeting of the EU IFI network.

Forthcoming:

- Kevin is attending the European Fiscal Boards Conference 2020 in Brussels on 28 February.
- Sebastian and Eddie are attending the Joint workshop of the ESCB and IFIs in Frankfurt on 2 March 2020.
- Niall and Killian have submitted papers for the IEA Conference in TCD on 7 & 8 May 2020.
- Forthcoming Council Meetings 2020 were discussed and noted as follows: 2 April @ 12:00 & 3 April @ 09:30

(endorsement), 6 or 19 May (date tbc), 9 & 10 June (tbc) and 10 July.

- Forthcoming Audit & Risk Meetings 2020: 15 April @ 09:30, 24 June @ 09:30 and 16 September @ 09:30

3. Fiscal Space Calculator

Feedback on the ongoing development of a fiscal space calculator and timelines for its release was discussed.

4. Forthcoming endorsement schedule

The Council discussed the timeline and plans for the forthcoming endorsement process.

5. Long-Term Sustainability Report

Friederike presented a progress report update on the Long-Term Sustainability report. The Council provided feedback and discussed possible supporting documents and timelines for the publication of the report.

6. Path for the Public Finances conference

An update was provided on the **Fiscal Council Path for the Public Finances Conference** which is taking place in Dublin Castle on 28 February 2020. There are 11 speakers and it has been necessary to make arrangements for the keynote speaker to present by video link. There are currently 112 delegates registered representing various government departments, state boards, financial institutions, research institutions, academia, the Houses of the Oireachtas and representatives from 7 overseas IFIs.

The Council was reminded that the **OECD IFI/PBO meeting** is taking place in Dublin Castle on 15, 16 & 17 April 2020.

7. Minister's Letter re: Fiscal Assessment Report

It was noted that a letter has not been received from the Minister in respect of the Fiscal Assessment Report published in November 2019.

8. Communication

The possibility of future op-ed opportunities was discussed.

Discussion was deferred on media coverage, website, dashboard and tweeting rule until a future meeting.

9. Public Investment Discussion

Eddie presented on public investment considerations.

10. The Role of Elasticities in Forecasting Irish Government Revenue

Niall presented on his draft working paper which examines the role of tax elasticities in forecasting Irish government revenue up to four-years ahead.

11. Any Other Business

There was no other business.

The next meeting, a two day endorsement meeting, will take place on 2 & 3 April 2020.

Signed:

Acting Chairperson

Dated: _____