

Minutes of Irish Fiscal Advisory Council Meeting (14th December 2020)

Online

12.00pm-2pm, Monday 14th December 2020

Present

Mr Sebastian Barnes (Chair)

Dr Martina Lawless

Dr Michael McMahon

Ms Dawn Holland

Attending

Dr Eddie Casey

Mr Niall Conroy

Mr Kevin Timoney

Mr Killian Carroll

Mr Elliott Jordan-Doak

Ms Karen Bonner

Proceedings

1. Admin/Financial

- **Declarations of interest:**

There were no declarations of interest.

- The Council **approved the minutes** of the meeting of the Council held on 23rd October 2020. Martina proposed and Michael seconded them.

- **Matters arising**

The change of meeting date from that originally scheduled, 2 December, was noted.

- **FRA Amendment & Future Council Appointments**

The Finance (Miscellaneous Provisions) Bill 2020 has passed all stages of the Oireachtas and is with the President for signing into law. Part 3, Section 14 of the Bill is an amendment to the Schedule to the **Fiscal Responsibility Act 2012** (FRA) with an amendment to paragraph 2(2) to change the number of consecutive

terms that a Member of the Fiscal Council may serve from two to three.

The Public Appointments Service (PAS) competition in respect of expressions of interest to serve as a **Member of the Fiscal Council** closed on 27 November 2020.

Sebastian is the Council's nominee on the PAS Assessment Board and the process is expected to conclude shortly. With both the legislation amendment and the PAS process it is anticipated that the re-appointment of a current Member of the Council and the appointment of two new Members to the Fiscal Council will be imminent.

- **Quorum**

The schedule to the FRA permits the Council to regulate its own procedures (including quorum). The Council in its Formal Schedule of Matters in respect of the decision making of the Council defines the quorum to be at least three Council Members. As there may potentially only be two Council Members in situ on 1 January 2021, it was agreed that on a temporary basis, conditional on this situation arising, that the quorum will be two members.

- **Vice Chairperson**

The Council appointed Michael McMahon as Vice Chairperson to the Fiscal Council.

- **Peer Review**

The Council discussed the key recommendations from the first main draft of the OECD review of the Fiscal Council. It was agreed that the Council will review the draft with a view to providing clarification and factual feedback to the OECD in early January.

- **Conference plans**

The draft programme and speaker line up for the Fiscal Council's 5th annual "Path for the Public Finances" conference on 8 and 9 February 2021 over two afternoon sessions is currently being finalised.

- **For approval**
 - **Council Fees:** The fees and time buy-outs for July-December 2020, as agreed in letters of appointment (and approvals set by Department of Public Expenditure and Reform), were approved.
 - **Datastream:** The Council reviewed three quotations in respect of datastream licencing. The Council agreed that an annual contract should be put in place in respect of datastream services from Refinitiv which is the most economically viable in addition to being most suited to the needs of the Fiscal Council.
- **Standing items:**
 - **Purchases and Receipts book:** The Council reviewed the Purchases and Receipts book for October and November 2020.
 - **Management Accounts:** The Council reviewed the management accounts for Q3 2020 which were reviewed by the Audit & Risk Committee (A&RC) at its meeting on 18th November.
 - **Recruitment Update:** There was nothing to report.
 - The Council received nine **Parliamentary Question** since the last meeting.
 - **FOI Update:** One FOI has been received and will be responded to.
 - The Council reviewed Section 4 (Governance & Structure) and reviewed & updated Section 6 (Relationship with Government) of the **Risk Register** and also reviewed the **Risk Policy**.
 - **Audit & Risk Committee Meetings:** Martina Lawless, Chairperson of the A&RC reported on the meeting held on 18th November.
 - **Internal Audit.** Mazars attended the A&RC meeting to report on the 'Procurement' audit, conducted in Autumn 2020 which indicates a substantial level of assurance with four low-level findings.
 - The **Internal Audit Plan** for 2021 was noted as follows:-

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|------------------------------|---------------------------------------|
| 2021 January 4 th | System of Internal Financial Controls |
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- The A&RC reviewed five **Policies** which the Council approved as follows:
 - o **Information Security Policy and Procedures:** Council reviewed and approved the updated Information Security Policy and Procedures.
 - o **Gifts and Hospitality Policy:** Council reviewed and approved the unchanged Gifts and Hospitality Policy.
 - o **Record of Processing Activity:** Council reviewed and approved the unchanged Record of Processing Activity.
 - o **Record Management and FOI Policy:** The Council reviewed and approved the updated Record Management and FOI Policy.
 - o **Travel Policy:** The Council reviewed and approved the updated Travel Policy.
- The **Internal Audit Activity Charter** was reviewed and the unchanged charter recommended to the Council.
- The **Risk Policy** and the remaining two sections of the **Risk Register** were reviewed, and an update provided on the review by the Council of the other four sections of the Register.
- The OCAG Audit guidance on the impact of Covid-19 on the control environment was reviewed which management has considered and is documenting.

Coming to the end of her term of office as a Member of the Council on 31 December 2020, Martina thanked the A&RC Members for its engagement over her time as Chairperson of the A&RC.

It was agreed to appoint Dawn Holland as Chairperson of the A&RC from 1 January 2021 and that the composition of the A&RC will be reviewed when the Council is at full complement.

- **Info Security/GDPR:** It was confirmed that an enhanced cloud solution backup has been implemented.

- **Recent and Forthcoming Meetings:**

Recent:

- Eddie and Sebastian presented to the Pensions Commission on the LTSR on 2 December 2020.
- The Council appeared before the Oireachtas Budgetary Oversight Committee on 8 December 2020.
- Eddie gave a presentation to UCD Economist undergraduates on 11 December 2020.

Forthcoming:

- Michael, in an independent capacity, will be participating in the IIEA Round table on the role of monetary policy in the Covid-19 crisis: 13 January 2021
- Forthcoming Council Meetings 2021: 22 January @ 9.30am.
- ECFIN Commission workshop webinar: 28 January 2021 (3-5.45pm)
- Fiscal Council's 5th annual "Path for the Public Finances" conference: delivered online on the afternoon of 8th and 9th February
- Forthcoming Audit & Risk Meetings 2021: 24 February @ 9.30am - (tbc).

2. [Fiscal Assessment Report and Oireachtas Appearance](#)

The Council reviewed the recent Fiscal Assessment Report (FAR) in respect of content, structure & text analysis and media impact. Options for the re-structuring of the FAR were also discussed. The Council also discussed its appearance before the Oireachtas Budgetary Oversight Committee on 8 December 2020.

3. Secretariat's Research Activity

An overview was given of the Secretariat's research tracker which outlines the progress and targeted dates for analytical notes, papers and other research activity. The Council will review updates on a number of research activities at its next meeting.

4. AOB

On behalf of the Fiscal Council, the Chairperson Sebastian Barnes, thanked Martina Lawless, whose term of office ends on 31 December 2020, for her expertise and contribution both as a Member of Council and as Chairperson of the Audit and Risk Committee.

The meeting dates for 2021 were reviewed. The next meeting will take place on Friday 22 January 2021 @ 9.30am.

Signed:

Sebastian Barnes (Chairperson)

Dated: _____