

# Minutes of Irish Fiscal Advisory Council Meeting (4<sup>th</sup> March 2021)

Online

09.00am-1.00pm, Thursday 4<sup>th</sup> March 2021

## Present

Mr Sebastian Barnes (Chair)

Dr Michael McMahon

Ms Dawn Holland

Dr Adele Bergin

Mr Alessandro Giustiniani

## 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 22<sup>nd</sup> January 2021. Dawn proposed and Adele seconded them. The change of meeting date from that originally scheduled, 25 February, was noted

- **Matters arising**

There were no matters arising.

- **Audit and Risk Committee Minutes**

Dawn, Chairperson of the A&RC, reported on the meeting held on 18 February 2021.

- Mazars attended the meeting to report on the Systems of Internal Financial Controls (SIFC) 2020 audit, undertaken in January 2021. There were two low-level findings and the overall audit gives substantial assurance in respect of the SIFC.

- The C&AG Management Letter from the 2019 audit, received on 5 February 2021, was reviewed. There were two Low-level findings which both have been addressed.
- The A&RC reviewed section 2 (Staff and Resources) of the **Risk Register** and were provided with an update on the Council review of section 1 (Reputation and Role).
- 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 2020 and recommend these to the Council.
- Six policies were reviewed and are recommended to the Council and were agreed and actioned by the Council as follows:

**Banking Policy** – the Council reviewed and agreed the updated policy as per the recommendation of the OCAG audit.

**Bring Your Own Device Policy** - the Council reviewed and agreed the unchanged policy.

**Confidential Disclosure Policy** - the Council reviewed and agreed the unchanged policy.

**Fixed Asset Policy and Procedures** – the Council reviewed and agreed the unchanged policy.

**Income Policy** – the Council reviewed and agreed the unchanged policy.

**Travel Policy** – the Council reviewed and agreed the changed policy, with the appendix updated to provide clarification on the authorisation of certain travel claims, as per the recommendation of the OCAG audit, and revised flight costs.

- The A&RC reviewed and recommend the **Code of Conduct** and the Council reviewed and agreed the unchanged code.

- **Draft Financial Statements 2020**

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 2020 and recommended these to the Council.

The Council reviewed and discussed the draft financial statements and associated governance and internal control statements and approved these for submission to the C&AG.

- **Annual review of effectiveness of internal controls**

Having regard to the internal and external audit reports and the financial statements presented the Council is satisfied with the effectiveness of controls for 2020 and plans to conclude its annual review at its next meeting.

- **Board Self-Assessment Evaluation**

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

- **Succession Planning:**

The Council discussed succession planning in the context of section 2.5 (Leadership Succession) of the Risk Register and the recommendations of the OECD review. The Secretariat will prepare background document to facilitate a more detailed discussion at the next meeting.

- **Standing items:**

- **Purchases and Receipts book:** The Council reviewed the Purchases and Receipts book for January 2021.
- **Management Accounts:** The management accounts for Q1 2021 will be available in mid-April.

- **Recruitment Update:** The advertisement in respect of the summer internship programme for two positions, for application by 12 March 2021, was noted.
- The Council received four **Parliamentary Question** since the last meeting.
- **FOI Update:** The Council received one FOI request since the last meeting which is being responded to.
- The Council reviewed and updated Section 2 (Staff and Resources) of the **Risk Register**.
- **Info Security/GDPR:** Eddie provided an update on IT ongoing monitoring, review and system improvements.
- **Recent and Forthcoming Meetings:**

**Recent:**

- ECFIN Commission workshop webinar: 28 January 2021 (3-5.45pm)
- Fiscal Council's 5<sup>th</sup> annual "Path for the Public Finances" conference: delivered online on 8<sup>th</sup> – 9<sup>th</sup> of February over two afternoons (2pm–4pm).
- European Fiscal Board 2021 Annual conference: 26 February (9am-4.30pm)

**Forthcoming:**

- EUNIFI meeting: 11<sup>th</sup> March.
- EU IFIs: 25<sup>th</sup> March
- Forthcoming Council Meetings 2021: call re benchmarks w/c 22 March, two-day endorsement meeting 31 March and 1 April @ times tbc
- Forthcoming Audit & Risk Meetings 2021: 21 April @ 9.30am
- OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions Annual Network meeting: April/May - (date tbc)

## 2. Conference reflections

Niall outlined the key points from the presentations at the Fiscal Council's 5th annual "Path for the Public Finances" conference 'Ensuring debt sustainability in a post-Covid World' delivered online over two sessions on 8th – 9th of February. The high calibre of speakers drew over 300 participants and was very well received. Most of the presentations and videos are available on the Council's website.

Eddie gave an overview of the key takeaways from the European Fiscal Board third annual conference held on 26 February which focused on 'High Debt, Low Rates and Tail Events: Rules-Based Fiscal Frameworks under Stress'.

## 3. OECD Review

The Council discussed the points outlined in a presentation on the OECD review which summarised the main recommendations, the more detailed takeaways and the outline of an implementation plan. These points will be summarised into a tracking spreadsheet outlining each recommendation, the action required, targeted timeframe and the monitoring of progress and will be reviewed by the Council on an ongoing basis.

## 4. Macro-fiscal update

The Secretariat gave a presentation in respect of Macro-fiscal updates to include consumer spending, savings stimulus, output gap, nowcasts, Brexit, ongoing pandemic supports, and current preliminary indications regarding the fiscal rules.

## 5. MoU for endorsements and endorsement timeline

The Council discussed plans for the forthcoming endorsement process and the endorsement timeline. There will be a Council call re benchmarks w/c 22 March and the Council two-day endorsement meeting will take place over two days - 31 March and 1 April, with the Department meeting on the second day.

The Council discussed the Memorandum of Understanding (MOU) between the Fiscal Council and the Department of Finance relating to the “Endorsement Function” of the Council under the Fiscal Responsibility Acts 2012 and 2013.

## 6. Update on Research Activity

The Council reviewed the Secretariat updates in respect of current research activities, as follows:-

- Confirmation of publication, data analytics and future submission plans in respect of the following papers:-
  - ‘Maq - A Macro Fiscal stress test model for Ireland’
  - ‘The role of elasticities in forecasting revenue’
  - ‘The role of the Independent Fiscal Institutions in assessing the sustainability of high public debt in the post-Covid era’
- The Long-run tax paper is finalised and the Council will provide feedback to Killian on the analytical note on the long-run spending dataset. A workshop style launch is being considered when finalised.
- An update was provided regarding progress on the Fiscal Space Calculator which will be finalised shortly by Kevin and Eddie for review;

The Secretariat’s research tracker on OneDrive outlines the progress and targeted dates for analytical notes, papers and other research activity.

## 7. Interpreting the Fiscal Monitor

This was deferred to a future meeting.

## 8. AOB

There was no other business. The two-day endorsement meeting will take place on Wednesday 31 March and Thursday 1 April 2021 (to include meeting with the department) @ specific times to be confirmed.

Signed:

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Sebastian Barnes (Chairperson)

Dated: \_\_\_\_\_