

# Minutes of Irish Fiscal Advisory Council Meeting (23<sup>rd</sup> February 2022)

Online 09.00-12.30pm

Wednesday 23<sup>rd</sup> February 2022

## Present

Mr Sebastian Barnes (Chair)

Dr Michael McMahon

Ms Dawn Holland

Dr Adele Bergin

Mr Alessandro Giustiniani

## Attending

Mr Niall Conroy

Mr Kevin Timoney

Mr Killian Carroll

Mr Elliott Jordan-Doak

Ms Karen Bonner

## Apology

Dr Eddie Casey

## 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 21<sup>st</sup> January 2022. Adele proposed and Dawn seconded them.

- **Matters arising**

There were no matters arising.

- **Audit and Risk Committee Minutes**

Dawn, Chairperson of the A&RC, reported on the meeting held on 16 February 2022.

- Reviewed the Charter and TORs of the A&RC updated to reflect the Council's decision to reappoint Michael Kelly as an independent external member of the A&RC (New term: 12th February 2022–11th February 2025).
- Mazars attended the A&RC meeting to report on the Systems of Internal Financial Controls (SIFC) 2021

audit, undertaken in January 2021. The overall audit gives a substantial level of assurance with two low level findings and two low level observations from the high-level internal control questionnaire (ICQ).

- The ICQ observations related to Risk Management, recommending assigning a specific risk owner and assigning deadline(s) to risk mitigation actions(s), was considered and will be applied where relevant.

The A&RC reviewed section 1 (Reputation and Role) of the **Risk Register** and recommend that the risk owner be changed from 'All' to the 'The Council and Secretariat'. The Council reviewed section 1 and in addition to the A&RC recommendations agreed updates to section 1.4 (Conflicts of Interest) to list under Current Controls in Place that declarations of interest are a standing item on meeting agendas and that a Code of Conduct conflict of interest policy is in place.

The A&RC also reviewed the **Risk Policy** and recommend the unchanged policy to the Council which was reviewed and agreed.

- 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 2021 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:

**Anti-Fraud Policy** - the Council reviewed and agreed the unchanged policy.

**Banking 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.

**Payment Policy** – the Council reviewed and agreed the changed policy, with updates to the appendix in respect of the increase to domestic subsistence as per DPER Circular 23/2021.

**Travel Policy** – the Council reviewed and agreed the changed policy, with updates to the appendix in respect of the increase to domestic subsistence as per DPER Circular 23/2021.

- The A&RC reviewed the **Code of Conduct** and recommend updates to the Code's Conflict of Interest Policy. The Council reviewed these and discussed some further additional updates which will be reviewed at its next meeting.
- The next meeting of the A&RC is scheduled for 14 April 2022.

- **Draft Financial Statements 2021**

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 2021 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 current SIFC internal audit report, prior year internal & external audit reports and the financial statements presented the Council is satisfied with the effectiveness of controls for 2021 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.

- **Standing items:**

- **Purchases and Receipts book:** The Council reviewed the Purchases and Receipts book January 2021.
- **Management Accounts:** The next management accounts will be available in mid-April.
- **Recruitment Update:** Recruitment for the Summer Internship Programme 2022, for two temporary posts lasting up to twelve weeks each, is ongoing.
- The Council received four **Parliamentary Questions** since the last meeting.
- **FOI Update:** The Council received no FOI requests since the last meeting.
- **Info Security/GDPR:** There were no matters to report.
- **EU IFIs**  
Sebastian provided an overview of recent EU IFI activity and outlined upcoming IFI related meetings and events.
- **Recent and Forthcoming Meetings:**
  - Recent:**
    - Fiscal Council’s 6th annual “Path for the Public Finances” conference: delivered online on 7th – 8th of February over two afternoons (2pm–4pm).
    - Kevin presented at the Climate, Investment, and Resilient Cities Seminar (UL): 10 February 2022
  - Forthcoming:**
    - Commission on Taxation & Welfare: Our Future Tax & Welfare - Stakeholder Forum: 3 & 4 March 2022
    - Dept of Economics (UL): Income, Output and Expenditure Approaches to Forecasting GNI: 16 March 2022
    - Irish Economic Association Annual Conference. Limerick 5 & 6 May 2022.

- OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions Annual Network meeting: Dublin 5 & 6 May 2022
- Forthcoming Council Meetings Q1 2022 @ 9.00am: 21 March (benchmarks call), 30 March
- Forthcoming Audit & Risk Meetings 2022 @ 9.30am: 14 April, 20 July, mid-Sep and 16 November
- o **Communication**

An overview was provided in respect of recent activity and potential opportunities to include publishing a series of tweets on pensions-related issues.

## 2. Conference Reflections

Elliott outlined the key points from the presentations at the Fiscal Council's 6th annual "Path for the Public Finances" conference 'Ensuring debt sustainability in a post-Covid World' delivered online over two afternoons on 7-8<sup>th</sup> February 2022. The majority of the presentations and videos are uploaded to the Council's website.

## 3. OECD Review Implementation

The Council discussed progress on the implementation of recommendations arising out of the OECD review.

Sebastian provided an update on discussions with the Department in respect of progressing recommendations requiring legislation change.

The Council reviewed and provided feedback on the most recent drafts of the Fiscal MoU, the Statement of Data Needs and the Fiscal data request template, which will be incorporated.

## 4. 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 on 21 March

2022 and the Council two-day endorsement meeting will take place over two days - 30 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.

#### 5. Inflation

Niall, Killian and Elliott gave a presentation on Inflation outlook and fiscal implications.

#### 6. Update on Activity

An update was provided on current activity to include progress on the Climate change analytical note, the Fiscal Monitor Xtra, the GNI\* paper and a planned seminar on 7 April regarding the Long-run tax and spending papers.

#### 7. AOB

There was no other business. There will be a Council call re benchmarks on 21 March 2022 and the Council two-day endorsement meeting will take place over two days - 30 March and 1 April, with the Department meeting on the second day.

Signed:

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Sebastian Barnes (Chairperson)

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