

Minutes of Irish Fiscal Advisory Council Meeting (2nd August 2024)

Online

9.00am-12.30pm, Friday 2nd August 2024

Present

Dr Michael McMahon (Acting Chair)

Mr Alessandro Giustiniani

Prof Stephen Millard

Apology

Dr Adele Bergin

Attending

Dr Eddie Casey

Mr Niall Conroy

Mr Killian Carroll

Mr Brian Cronin

Ms Karen Bonner

Ms Siobhán Brosnan

Mr Luke Doyle

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 8th July 2024. Stephen proposed and Alessandro seconded them.

- **Matters arising**

An update was provided regarding the recent PAS competition in respect of the role of Chairperson of the Council and it is understood that an appointment announcement is expected shortly.

The Minister's response to the FAR June 2024 was received on 31 July 2024 and is published on the Council's website.

- **Audit and Risk Committee**

The A&RC reported on its meeting held on 22 July 2024 as follows:-

- Linda Kehoe (OCAG audit Manager) attended to present on the OCAG Audit Completion Memorandum in respect of the audit of the Fiscal Council's 2023 financial statements. It was confirmed there are no issues emerging from the 2023 audit and that the C&AG will give a clear audit opinion and that no matters came to attention that would warrant inclusion in a Management Letter.

The A&RC reviewed the C&AG cleared Audited Financial Statements 2023, Letter of Representation; updated draft Annual Report 2023, draft Chairperson's Report 2023 and recommend these to the Council for approval and submission.

- Reviewed and recommend to the Council the Management Accounts for Q2 2024, to include the outturn against the budget, which were reviewed and approved by the Council.
- The A&RC reviewed four policies which are recommended to the Council and were agreed and actioned by the Council as follows:

Social Media Policy - the Council reviewed and agreed the unchanged policy;

Media Relations Policy - the Council reviewed and agreed the unchanged policy;

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

Remote Working Policy - the Council reviewed and agreed the unchanged policy.

- The A&RC reviewed and discussed Section 3 (Financial) of the **Risk Register** and recommend continuing the changes to the format of the Register to clearly distinguish between *current* Controls & mitigating actions and *proposed* new policies or

mitigating Actions. Additions are recommended to '3.2 Inadequate Funding' to both the current controls and proposed mitigating actions and to the current controls in '3.3 Financial Controls and Records'

- The A&RC discussed its planned annual self-evaluation

The next Audit & Risk Committee meeting is scheduled for 17 October 2024.

- **For Approval**

Finalisation of 2023 year end documentation

Linda Kehoe (Audit Manager, OCAG) presented the OCAG Audit Completion Memorandum on the Fiscal Council 2023 audit to the Audit & Risk Committee (A&RC) at its meeting on 22 July 2024. Based on this report, the A&RC recommend the audited Financial Statements 2023 for approval subject to no material changes.

The Council reviewed the following documents:-

- OCAG Audit Completion Memorandum;
- Audited Financial Statements 2023;
- Draft letter of Representation;
- Final draft Annual Report 2023;
- Draft Chairperson's Comprehensive Report to the Minister re 2023;
- Minutes of A&RC meeting 22 July 2024.

The Council agreed and approved the audited **Financial Statements 2023**, as cleared by the OCAG, and the **letter of representation** for submission to the OCAG.

The Council also agreed and approved the final draft of the 2023 **Annual Report** and the draft **Chairperson's Comprehensive Report**, with an updated copy of the latter to be circulated for final approval. Both reports will be submitted to the Department after receipt of the C&AG audit report.

Bank Signatories

The Council approved changes and updates, effective 15 August 2024, in respect of (i) the signatories of the Bank of Ireland bank mandate to both Dr Adele Bergin (Council Member, Audit & Risk Committee Chairperson) and Eddie Casey (Chief Economist and Head of Secretariat); and (ii) the reinstating of Eddie Casey's profile on BOI BOL. It was agreed that Niall Conroy should remain active on BOI BOL, so that a second member of the Secretariat can facilitate authorisation when required, and that the Bank Policy and any other relevant policies be updated as soon as practicable in respect of these changes.

- **Standing items:**

- **Purchases and Receipts book:** The Council reviewed the Purchases and Receipts book for July 2024.
- **Recruitment Update:**

The recruitment campaign in respect of an Economist (to fill the recent Research Assistant vacancy) commenced on 31 July and will run until 23 August.
- **Management Accounts:** The management accounts for Q2 2024, to include the outturn against the budget, as reviewed and recommended by the A&RC were reviewed and approved by the Council.
- Section 3 (Financial) of the **Risk Register** initially reviewed by the A&RC was reviewed by the Council who agreed with the changes as recommended to '3.2 Inadequate Funding' and '3.3 Financial Controls and Records' .
- The Council received one **Parliamentary Questions** since the last meeting.
- **AIE/FOI Update:** The Council received no AIE requests since the last meeting. The Council received no FOI requests since the last meeting.
- **Info Security/GDPR:** An internal audit in respect of GDPR is planned for late 2024.

- **EU IFIs**

An update was provided in respect of recent EU IFI activity.

- **Recent and Forthcoming Meetings:**

Recent:

- Audit & Risk Committee meeting: 22 July.

Forthcoming:

- The preliminary draft of the Fiscal Council's endorsement September timetable, in respect of Budget 2025, was noted.
2. The proposed date for the Council appearance before the Oireachtas Budgetary Oversight Committee, regarding the Pre-Budget Statement, is 18 September.
- Forthcoming Council meeting(s) 2024: September dates regarding the endorsement process include a benchmark calls (date time tbc) and 23 (in person with representatives from the Department of Finance).
 - Budget Day: 1 October
 - Forthcoming Audit and Risk Committee meeting(s) 2024: 27 October @ 9.30am

Communications

An update was provided in respect of recent communication activity.

3. Interns work update

Siobhán and Luke presented an update on the progress of the Summer Internship project regarding developing a model to examine textual sentiment analysis of fiscal and macro components of publications.

4. Macro Fiscal Update

The Secretariat gave a macro-fiscal update presentation, which was reviewed and discussed by the Council.

5. Corporation Tax work

Brian presented additional Corporation Tax analysis regarding 'Estimating the tax yield arising from the introduction of OECD Pillar Two'. In addition, Brian is working towards issuing a preliminary draft of the Analytical note 'A structural shift or heightened volatility – a note on the timing of corporation tax receipts' to the Council and others for peer review in mid-August.

6. Reflections from OECD work

Eddie gave an overview of his time, over the last eight months, as expert on loan to the OECD to include the three projects undertaken and some key take aways from the experience.

7. Pre-Budget statement

The Council discussed the proposed content and timelines for the Pre-Budget Statement working towards a planned release date of 4 September with a press briefing the previous day.

An appearance before the Oireachtas Budgetary Oversight Committee, in respect of the Pre-Budget Statement, is planned for 18 September.

8. Estimating a monthly consumption proxy using card data

Killian presented on 'Monthly proxy estimates of consumption using card data', outlining the rationale and potential benefits of using this approach.

9. AOB

There was no other business.

On behalf of the Council and Secretariat Michael thanked Siobhán and Luke for their contribution and participation

in the Summer Internship Program which concludes on 30 August.

Niall outlined the upcoming endorsement process and timelines. A poll will issue to finalise date(s) for the benchmarks call, the endorsement meeting with the department is planned for 23 September.

Signed:

Michael McMahon (Acting Chairperson)

Dated: _____