

Minutes of the Office for Budget Responsibility Oversight Board and Audit Committee
14 June 2018, 10.00-12.00

Oversight Board

Attending

Members: Sir Chris Kelly, Robert Chote, Sir Charles Bean, Graham Parker CBE, Tom Pybus, Mark Dembowicz (Acting Board Secretary)

1. Procedures

The board reviewed and discussed the risk register and agreed some refinements for future iterations. Some specific risks and mitigation strategies were discussed in detail. The re-structuring at staff level and turnover in the Budget Responsibility Committee has helped mitigate a number of risks and the risk register will need to be reviewed once the structure is more settled.

2. Update on OBR activity

The Board discussed a summary of the OBR's recent outputs, stakeholder engagement, management issues and priorities. In relation to our outputs, the following issues were discussed:

- On 13 March, we published our latest *Economic and fiscal outlook (EFO)*, in which the overall forecast had changed only slightly since the November edition. This was the first 'non-policy' forecast event following the move to a single Budget timetable.
- Our response to a request from the Treasury Committee on the practicalities of including an EU exit agreement into the Autumn forecast, which was published on 25 April.
- We continue to produce our monthly commentary on the public finances, in which borrowing numbers continue to come in below our forecast profile. Although, at this stage, some of the differences lie within data which is based on forecasts and subject to revision, such as local authority borrowing and central government spending.

The Board also discussed our engagement with Government and other stakeholders including:

- The less challenging process required to produce a non-policy forecast and lessons learned in agreeing a timetable for future events.
- Engagement with the Scottish and Welsh administrations regarding our role in forecasting devolved taxes and participation in a tri-lateral knowledge sharing meeting with the Treasury and Scottish Fiscal Commission.

- External stakeholder engagement with a number of international delegations and meetings with the IMF, OECD and European Commission.

Staff and office management developments discussed include:

- The outcomes from the recruitment of a replacement for Graham Parker on the BRC, where Andy King will take over in September, and Bronwyn Curtis will join as a non-executive member in June.
- Recruitment processes for analysts across the OBR, including for Brexit-related analysis posts and for a new Deputy Chief of Staff position.

3. Cyber security and GDPR readiness

The Board was updated on the cyber security arrangements and strategy, including the role of the MoJ as our main IT network supplier. The Board was also updated on preparations for new data protection guidance and the ongoing actions now required of the department.

4. External review

The Board discussed early planning for the forthcoming External review of the OBR and requested a more detailed update at the next meeting.

5. Pay remit

It was agreed that the pay remit would be approved by correspondence.

6. Finances and accounts

The Board discussed the financial position at the end of 2017-18, which will be incorporated into the *Annual report and accounts* due to be published in July. Any underspend for the previous year will be carried over as Budget Exchange, which has been approved by the Treasury.

Anna Wojtal and Jacinta Namyalo (NAO) attended for item 5.

7. Annual report and accounts

The Board reviewed the *Annual report and accounts* which were approved for publication.

Audit Committee

Attending

Attendees: Sir Chris Kelly, Robert Chote, Mark Dembowicz, Andy Ginever, Kate Ivers, Anna Wojtal, Scott Dore (National Audit Office), Neil Chapman (Government Internal Audit Agency)

1. NAO Audit Completion Report 2017-18

The NAO presented the Audit Report, which proposed a clear audit opinion. The Report was considered and agreed by the Audit Committee, which was invited to review the findings set out in the report, including the letters of representation and audit certificate. No material issues were raised.

2. Internal audit plan for 2018-19

The Government Internal Audit Agency presented the Internal Audit Plan for 2018-19, which was agreed by the Board.