

Minutes of the Office for Budget Responsibility Oversight Board and Audit Committee
– 20 January 2015, 10.00-12.30

Oversight Board

Attending

Members: Lord Burns (Chair), Dame Kate Barker, Robert Chote, Graham Parker CBE, Steve Nickell CBE, Mark Dembowicz (Acting Board Secretary)

1. Update on OBR activity

The Board discussed a summary of the OBR's recent outputs, stakeholder engagement, management issues and upcoming priorities, presented by the BRC. The following issues were discussed:

- The October 2014 *Welfare trends report* – the first edition of the publication. The report covered welfare trends over the past 30 years and was well received as a useful reference document for the welfare system as a whole;
- Our fourth *Forecast evaluation report* which looks at our forecasts relative to the latest outturn data and explains the differences;
- The December 2014 *Economic and fiscal outlook* had been delivered successfully. The public response had focused on the implications of the public spending forecasts. The Board discussed the additional demands placed on staff during recent publications and the management of working hours;
- Issues we need to consider in the forthcoming *Economic and fiscal outlook*, the final forecast before the General Election. In particular we discussed how the OBR maintains transparency and neutrality, given the challenges presented by our remit to publish a forecast based on current Government policy whilst the individual Coalition partners have differing, publicly stated views of policy; and
- Work planning under the constraints of election uncertainty.

2. Review of responses to the recommendations from the External review of the OBR

Since the last Board meeting the Chair of the Oversight Board, Lord Burns, has written to the Chairman of the OBR and the Permanent Secretary to the Treasury to ask them how they intend to address each of the recommendations outlined in the External Review. The Board reviewed the responses provided. The non-executive members agreed with the view from the Chairman's letter, that the survey of Parliamentarians should not be re-run. The non-executive members were satisfied with the responses to the remaining recommendations and will assess progress against the specified actions in future meetings.

3. Finances and accounts

The Board discussed the financial position for the year to date. The Board also agreed a draft structure for the Annual Report and Accounts, and discussed processes and possible improvements.

Audit Committee

Attending

Members: Lord Burns, Kate Barker (Chair), Robert Chote, Mark Dembowicz (Acting Secretary), Andy Ginever (OBR financial manager) Kate Ivers (OBR financial adviser), Steve Young, Tom Hughes (NAO), Neil Chapman, Pirjo Shaer (Internal Audit).

1. Internal audit progress report and plan for 2014-15

The Committee discussed the options for Internal Audit under the new service provided by the Government Internal Audit Agency (GIAA). The GIAA presented a draft internal audit plan. The Committee agreed the need to audit one element of the OBR's operations and noted that some flexibility in planning for next year may be required, given the uncertainty presented by the upcoming General Election.

2. NAO Audit Planning Report

The NAO presented the Audit Report which was considered and agreed by the Audit Committee. The Audit Committee was invited to discuss:

- Whether the NAO's assessment of the risks of material misstatement to the financial statements is complete;
- The proposed audit plan; and
- Whether the financial statements could be materially misstated due to fraud, and communicate any areas of concern to management and the audit team.

The Committee concluded that the risks of misstatement are minimal and unchanged since last year and agreed the audit plan.