

Minutes of the Office for Budget Responsibility Oversight Board and Audit Committee
22 March 2021

Oversight Board

Attending

Sir Christopher Kelly, Bronwyn Curtis, Richard Hughes, Sir Charles Bean, Andy King.
Staff: Steve Farrington (Chief of Staff), Mark Dembowicz (Head of Strategy, Operations and Communications).

1. Procedures

The Board reviewed the minutes from the previous meeting and cleared them for publication. The Board reviewed the risk register and discussed the updates that had been made since the previous meeting.

2. 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.

Shortly after the last Board meeting in December we published:

- Our latest *Forecast evaluation report (FER)* published on 22 January. Given the workload pressures on staff this was a much-shortened report (19 pages) covering our March 2018 & 2019 forecasts for 2019-20, with the forecast errors largely explained by the impact of coronavirus in the final few weeks of the year. We also signalled that the forecast errors evaluated in future *FERs* that cover the full impact of the virus will be "off the scale".
- Our latest *EFO* published on 3 March. This *EFO* framed epidemiological, economic and fiscal developments in our central forecast against our November *EFO* scenarios. The report focused on the implications of the Chancellor's expanded virus rescue package and medium-term consolidation on the near-term economic outlook and medium-term forecasts of the tax burden and public spending pressures. The board discussed the impact of a comprehensive forecast document, noting the wide-ranging press coverage.
- Our regular monthly commentary. The latest edition on 19 March noted that while borrowing this year will comfortably exceed the previous financial crisis record, it looks set to undershoot our March *EFO* estimate, thanks to even

greater underspending by government departments than our forecast assumed.

The board discussed the significant amount of adaptation the OBR has undertaken in order to deliver its primary objectives over the past year and the flexibility shown to descope publications where necessary. The board also acknowledged the significant personal commitment of everyone across the OBR in a difficult year.

The board also discussed interactions with government departments, which had largely gone well throughout the forecast process. The identification and resolution of an error in the forecast the day before publication was discussed and the process for correction was judged to be satisfactory. The board also discussed developments in the notice period for which the Treasury gives the OBR to prepare a forecast, which was adhered to for the most recent forecast, but were concerned about the difficulty and resource required to agree the finer details of the timetable.

OBR/HMT finance partners, NAO and GIAA audit leads and the OBR business and finance manager attended for item 3 and the Audit Committee

3. Finances and accounts

The Board discussed the financial position for the year to date, progress on the budget delegation for 2021-22 and the plan for the *Annual report and accounts*.

Audit Committee

Attending

Attendees: Sir Christopher Kelly, Bronwyn Curtis, Richard Hughes, Steve Farrington, Mark Dembowicz.

1. Internal audit progress report 2020-21

GIAA presented a progress report for the internal audit on knowledge management and the actions outstanding. The focus of the two audits this year were on digital strategy and pandemic response, both of which were deemed well delivered with some minor recommendations.

2. NAO audit plan

The NAO presented the audit plan for the 2020-21 *Annual report and accounts*.