

Minutes of the Office for Budget Responsibility Oversight Board and Audit Committee – 22 September 2011, 10.00 – 13.00.

Oversight Board

Attending

Members: Lord Burns, Kate Barker, Robert Chote, Graham Parker, Steve Nickell
Tom Josephs (Secretary)

1. Procedures and Terms of reference

1. The Members discussed the draft Board procedural note. They agreed to change paragraphs 6 and 7 to state that a quorum of three must include at least one non-executive member, and that all meetings of the OBR and the Board must be properly convened.
2. Subject to these changes the Members agreed the procedural note establishing the Oversight Board and appointed Lord Burns as Chair of the Oversight Board.
3. Kate Barker was appointed Chair of the Audit Committee, a sub-committee of the Oversight Board.
4. The Board then discussed the draft Board Terms of reference. The main points agreed were:
 - The Board will hold scheduled meetings in May, September and January each year, with additional meetings called as required. For the next meeting, the secretary should produce an annual calendar of OBR events and reporting requirements, and a provisional agenda of standing items for each meeting.
 - Full minutes of Board meetings should be published on the OBR website. In certain cases redactions may be necessary, for example to protect staff confidentiality.
 - The process by which the performance of Board members is appraised should be discussed at the next meeting.

5. Subject to these points the Board agreed to adopt the Terms of reference, which will be published on the OBR website.

2. OBR corporate plan and budget

6. The Board discussed the draft Corporate and business plan for 2011-12 to 2013-14. The main points raised were:
 - It was agreed that the non-executive members should be kept informed of meetings and contacts with the advisory panel of experts, and that summary minutes should be kept of those meetings and of substantive meetings with other external stakeholders on analytical issues.
 - For future Board meetings, the secretary should prepare a summary paper outlining developments since the last meeting – such as analytical outputs, changes in staffing, any issues around engagement with Government and wider stakeholders – and forward looking priorities in the period ahead of the subsequent meeting.
 - It was suggested that the OBR could build on the launch of the new website by using wider media channels to announce publications and events.
 - The Board discussed potential new analytical tasks that might arise in years 2012-13 and 2013-14, such as forecasting Scottish income tax. It was agreed that a summary of this should be included in the business plan.
7. Subject to these points the Board agreed to the Corporate and business plan, which will be published on the OBR website.

3. Other policies

8. The Board were provided the Cabinet Office Board Members' Code of Conduct. It was noted that the rules on acceptance of gifts and hospitality required Members to inform the OBR of gifts and hospitality received in the course of work on OBR business only.
9. The Board were provided with a summary of the OBR's HR policies and the remit for setting OBR staff pay. It was agreed that the pay remit would be an issue for discussion at the May meeting of the Board.

Audit Committee

Attending

Members: Kate Barker (Chair), Lord Burns

Robert Chote (Chair of OBR)

Tom Josephs (Secretary)

Liz Corrin (OBR financial adviser)

1. Terms of reference

1. The committee agreed the draft Audit Committee Terms of reference, which will be published as an Annex to the Oversight Board Terms of reference.
2. For the next meeting, the secretary should produce a provisional agenda of standing items for each meeting of the Audit Committee.

2. Risk register

3. The Committee discussed a draft OBR risk register. It was felt that the register provided a comprehensive summary of risks and the actions needed to mitigate them. It was agreed that the register should be reorganised around categories of risk and include an assessment of how far the actions taken had mitigated the risks. The Committee agreed to then revisit risks and mitigating actions at subsequent meetings.

3. Financial reporting and management

4. The Committee discussed the financial reporting calendar and agreed a provisional schedule of issues for discussion at subsequent meetings. It was agreed that the NAO should be invited to attend subsequent meetings for items on the end-of-year accounts.
5. It was agreed that as the OBR contracts administrative financial services from the Treasury, the Finance Director at Treasury should provide the OBR Accounting Officer with a statement of control covering financial management processes and infrastructure.

4. Security and business continuity (Mark Dembowicz also attending)

6. The Committee considered the OBR's draft security and business continuity policies. The main issues discussed were:
 - OBR staff should confirm requirements for security clearance of non-executive members.
 - OBR should improve the ability of staff to gain remote access to restricted documents, through greater provision of secured laptops.
 - OBR staff should organise tests of the business continuity plan, including a test of facilities at the disaster recovery site.

- Tom Josephs and Liz Corrin should discuss the OBR's internal audit requirements with the Head of Internal Audit at the Treasury. The committee felt that the most useful areas for internal audit to examine would be around infrastructure issues such as business continuity, security and processing of expenses.