

Minutes of the Office for Budget Responsibility Oversight Board and Audit Committee  
– 2 December 2019

Oversight Board

Attending

Members:

Sir Chris Kelly, Bronwyn Curtis OBE, Robert Chote, Sir Charlie Bean, Andy King

Staff:

Stephen Farrington (Chief of Staff), Shaun Butcher (Deputy 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.

**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. The following issues were discussed:

- a. On 18 July we published our second Fiscal Risks Report (FRR). The report updated our risk assessments from our first FRR, and addressed the government's response Managing Fiscal Risks, published last year. The report added new chapters on fiscal policy risks and climate change. Press attention focussed on our 'stress test' which calculated the fiscal implications of a 'no deal' Brexit based on a (relatively benign) IMF 'no deal' macroeconomic scenario.
- b. We continue to produce our monthly commentary on the public finances. In recent months, ONS/HMRC correction of errors and large revisions to spending profiles have made it difficult to monitor the profile for borrowing this year, relative to our March forecast.
- c. Stakeholder engagement since the last meeting had focussed on our devolved forecasts, consistent with our new responsibilities to the Welsh Government. Andy King presented at a Welsh tax conference in July and a Fraser of Allander Scottish Budget event in November. Steve Farrington spoke at a Wales Governance Centre fiscal conference in July.

- d. The Chairman has participated in various events with stakeholders, including, inter alia: attending the Irish PBO advisory panel, talks with the Actuaries Club and Inter-Parliamentary Finance Network, and a lecture to Sciences Po on fiscal councils. As Chair of the OECD IFI/PBO network he has participated in the reviews of the Scottish Fiscal Commission and Lithuanian fiscal council and attended a fiscal conference in Belarus.
- e. The Board also discussed upcoming appointments to the Board and progress on the External Review.

### **3. Cancelled forecast**

On 14 October the Chancellor announced that he would hold a Budget on 6 November. On 25 October the Chancellor announced that the Budget would not take place on that date. At that point our work on the Budget forecast and accompanying publication stopped.

Following the cancellation of the Budget, we announced on 29 October that we planned to publish on 7 November a restated version of our March fiscal forecast, incorporating subsequent ONS classification and other statistical changes. On the morning of 7 November, following advice from the Cabinet Secretary that publication would not be consistent with the Cabinet Office's General Election Guidance, we announced the publication would not go ahead.

We published the restated forecast at the earliest opportunity following the election, at 09:30 am on 16 December.

The Board considered the decision-making with reference to the public guidance and was content that the course of action was appropriate.

### **4. Risk register**

The Board reviewed each risk identified in the risk register and discussed the updates that had been made since the previous meeting.

Tanya de Jager (Treasury Finance Director and OBR Finance Partner) attended for item 5.

### **5. Finances and accounts**

The Board discussed the financial position for the year to date.

## **Audit Committee**

### **Attending**

Members:

Sir Chris Kelly, Bronwyn Curtis OBE, Robert Chote

Staff:

Stephen Farrington (Chief of Staff), Shaun Butcher (Deputy Chief of Staff), Mark Dembowicz (Head of Strategy, Operations and Communications). Neil Chapman (Government Internal Audit Agency).

### **1. Internal audit plan for 2019-20**

The GIAA presented progress on the audit plan for 2019-20.