

Minutes of the Office for Budget Responsibility Oversight Board and Audit Committee
24 May 2017, 10.00-12.00

Oversight Board

Attending

Members: Lord Burns (Chair), Dame Kate Barker, Robert Chote, Graham Parker CBE, Sir Charlie Bean, Andy King (Board Secretary), Mark Dembowicz

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 recent cyber-attack was also discussed, where our IT (and accommodation) provider is the MOJ, which had quickly taken appropriate steps.

2. Update on OBR activity

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

- On 8 March, we published our latest *Economic and fiscal outlook (EFO)*, which contained fewer policy announcements than recent forecasts, as the Government moves to a 'single fiscal event' timetable.
- We continue to produce our monthly commentary on the public finances. In our February commentary on January's data, we provided some context on the drivers of improved borrowing in 2016-17 and the one-offs and timing effects that were likely to limit the extent to which it fed through to later years. These were issues that it would have been difficult for external commentators to identify.
- We discussed interactions with other government departments over the forecast process and the publication of the updated MoU between the OBR, HM Treasury, DWP and HMRC, which provides a more comprehensive set of guidelines for departments and OBR staff, including on the various ways in which pre-release information is shared and should be handled. This was published alongside an update to the Chancellor on progress against the recommendations made in the Treasury's review of the OBR in 2015.

The Board also discussed other developments including:

- engagement with the Scottish and Welsh administrations regarding our role in forecasting devolved taxes and, in particular, working with the Scottish Fiscal Commission as it develop its new statutory role; and

- staffing updates, including the ongoing process to replace Dame Kate Barker as a non-executive member of the OBR.

3. Pay remit

The Board discussed a paper summarising the OBR's proposed 2017-18 pay remit. The following points were made:

- the ongoing strictures of the Cabinet Office guidance limiting average basic pay increases across the civil service to 1 per cent meant that in a small organisation like the OBR it was appropriate to award all staff the same basic pay award; and
- recruitment and retention of specialist staff given the limited overall staff pay budget would remain a continuing challenge.

The Board approved the proposed pay remit.

4. Finances and accounts

The Board discussed the financial position at the end of 2016-17, 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. The Board agreed that the processes of identification and pre-agreed flexibility in place to manage the possible share of the cost of dilapidations at our previous Victoria Street accommodation had been managed appropriately.

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

5. Annual report and accounts

The Board reviewed the *Annual report and accounts* and the *Business plan*. The reports were approved for publication.

Other business

Lord Burns thanked Dame Kate for her contribution over the past six years and for her leadership of the Audit Committee in particular.

Audit Committee

Attending

Members: Lord Burns, Kate Barker (Chair), Robert Chote, Andy King, Mark Dembowicz, Francesca Roberts (OBR finance adviser), Anna Wojtal, Jacinta Namyalo (NAO), Neil Chapman (GIAA).

1. NAO Audit Completion Report 2016-17

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 2017-18

The Government Internal Audit Agency presented the Internal Audit Plan for 2017-18, which was agreed by the Board.